

● PSF

Treasury Dept.

1941

PSF Treasury Folder



TREASURY DEPARTMENT

WASHINGTON

File personal confidential

Memorandum for the President

What Raw Materials will Germany Gain from the Balkans and what may she Gain from a Conquest of the Mediterranean?

1. Petroleum -- The Mediterranean Basin would adequately supply Germany's needs.

Germany's (and occupied territories) annual wartime requirements: from 100 to 125 million barrels, of which only 30 to 40 million barrels (including synthetic) are produced in Germany and Poland.

Rumania produces about 45 million barrels, but not all of it can yet be transferred out of Rumania because of lack of transport facilities.

Iran and Iraq produce over 100 million barrels a year. Over one-half of their output could be transported to Genoa and Marseilles by the Italian tanker fleet if the British fleet were forced out of the Mediterranean.

2. Cotton -- Egypt alone would supply all the raw cotton Germany needs.

Germany, in 1938, imported 660 million pounds of cotton. Egypt, in the same year, exported over 770 million pounds of cotton.

(Germany would also get substantial amounts of wool from the Mediterranean countries but not enough to meet her requirements.)

3. Fats and Oils -- Conquest of the Balkan and Mediterranean areas will substantially improve Germany's position on these materials but whether it will completely satisfy their vital requirements cannot be determined on the basis of the information which we now have available.

Germany has already been obtaining the bulk of the Balkan exportable surplus of oils and fats. By plundering the inventories and livestock reserves, she can add small quantities to her supply during the coming months.

The Mediterranean Basin does not have an exportable surplus of fats, and though its olive oil output is large, we do not believe it is large enough to satisfy Germany's requirements of edible oils.

Should Germany slaughter a large portion of the existing livestock in this area, she would acquire a large supply of industrial fats for the production of nitro-glycerin, other munitions, and soaps. (North Africa and the Near East have over 15 million head of cattle and 60 million sheep.)

4. Ferro-Alloys -- The Mediterranean Basin would help Germany's situation, but would not supply all her deficiencies.

Germany has already been getting Turkey's chromium output, which amounts to over 200,000 tons annually and is more than Germany needs.

She could make up one-half her manganese deficiency from Turkey and North Africa -- and would gain more than she needs if she conquered as far south as the Gold Coast.

Germany could get some tin in Nigeria if she gets that far -- perhaps 11,000 tons.

Neither the Balkans nor the Mediterranean areas have significant quantities of tungsten, molybdenum, or nickel.

5. Copper -- The Mediterranean Basin would help, but not nearly solve Germany's copper problem.

In 1938 Germany imported over 270,000 tons of copper and 650,000 tons of copper ore.

Yugoslavia produces 40,000 tons of copper, but has already been exporting a substantial portion of her supply to Germany. The remainder will now become available.

Cyprus produces about 30,000 tons of copper (in ore form).

6. Citrous fruits, grapes, dates, tobacco, and wine are produced in large quantities in the Mediterranean Basin and would be very useful to Germany.

*file confidential
Dressery*

TYPE	NAME	LENGTH	GROSS TONNAGE	HOME PORT	PRESENT LOCATION	DATE OF ARRIVAL	REG. No. IN CREW	No. NOW ON BOARD.
------	------	--------	---------------	-----------	------------------	-----------------	------------------	-------------------

BOSTON, MASSACHUSETTS

SS	PAULINE FRIEDERICH (T)	376.7	4,654	Hamburg	GERMAN Commonwealth Pier No. 1	9/3/39	40	20
----	------------------------	-------	-------	---------	-----------------------------------	--------	----	----

PORT EVERGLADES, FLORIDA

SS	ARAUCA (F)	398.3	4,354	Hamburg	GERMAN	12/19/39	35	35
----	------------	-------	-------	---------	--------	----------	----	----

BOSTON, MASSACHUSETTS

ITALIAN

SS	DINO (F)	415.5	5,592	Genoa	Hodge Boiler Works East Boston.	6/5/40	45	45
----	----------	-------	-------	-------	------------------------------------	--------	----	----

NEW YORK, N.Y.

ITALIAN

SS	ALBERTA (F)	417.7	6,131	Trieste	Pier 2, Hoboken N.J.	6/5/40	31	30
SS	ARSA (F)	404.1	5,441	Genoa	Pier 2, Hoboken N.J.	6/5/40	33	36
SS	AUSSA (F)	404.1	5,441	Trieste	Pier 2, Hoboken N.J.	6/6/40	33	32
SS	BRENNERO (T)	343.5	4,946	Genoa	Newark Terminal N.J.	5/30/40	40	38
SS	SAN LEONARDO (F)	400.0	4,657	Genoa	Pier 2, Hoboken N.J.	6/2/40	36	36

PHILADELPHIA, PA.

ITALIAN

SS	ANTONIETTA (F)	398.9	4,423	Genoa	Sherwin Williams Dock, Gloucester N.J.	7/24/40	29	28
----	----------------	-------	-------	-------	---	---------	----	----

(F) - Freight Vessel
(T) - Tank Vessel

*PSF
Treas*

<u>TYPE</u>	<u>NAME</u>	<u>LENGTH</u>	<u>GROSS TONNAGE</u>	<u>HOME PORT</u>	<u>PRESENT LOCATION</u>	<u>DATE OF ARRIVAL</u>	<u>REG. NO. IN CREW</u>	<u>No. NOW ON BOARD</u>
-------------	-------------	---------------	----------------------	------------------	-------------------------	------------------------	-------------------------	-------------------------

PHILADELPHIA, PA. (cont.)

ITALIAN (Cont.)

SS	BELVEDERE (F)	437.8	6,889	Genoa	Nat. Metals Co., Tacony, Pa.	6/7/40	37	37
SS	MAR GLAUCO (F)	403.9	4,690	Genoa	Sherwin Williams Dock, Gloucester N.J.	8/10/40	30	30
SS	SANTA ROSA (F)	344.0	3,027	Genoa	Sherwin Williams Dock, Gloucester N.J.	8/6/40	28	29

BALTIMORE, MD.

ITALIAN

SS	EURO (F)	406.4	4,687	Genoa	Anchorage No. 3	8/19/40	45	45
SS	PIETRO CAMPANELLA (F)	430.2	6,140	Genoa	Dead Anchorage	8/9/40	50	50

NORFOLK VIRGINIA

ITALIAN

SS	GIUAN (F)	382.9	5,473	Genoa	Anchorage "G" off Newport News.	6/11/40	50	50
SS	GUIDONIA (F)	434.2	5,060	Naples	Anchorage "G" off Newport News.	6/9/40	58	58
SS	SAN GIUSEPPE (F)	413.2	5,074	Genoa	Anchorage "G" off Newport News.	6/8/40	45	45

(F) - Freight Vessel

<u>TYPE</u>	<u>NAME</u>	<u>LENGTH</u>	<u>GROSS TONNAGE</u>	<u>HOME PORT</u>	<u>PRESENT LOCATION</u>	<u>DATE OF ARRIVAL</u>	<u>REG. NO. IN CREW</u>	<u>NO. NOW ON BOARD</u>
<u>NEWPORT NEWS, VIRGINIA</u>								
<u>ITALIAN</u>								
SS	LACONIA (F)	430.8	5,932	Trieste	Anchorage "G" off Newport News.	6/9/40	50	50
SS	VITTORIN (F)	350.7	3,349	Genoa	Anchorage "G" off Newport News.	6/11/40	35	35
<u>WILMINGTON, N.C.</u>								
<u>ITALIAN</u>								
MS	VILLARPEROSA (F)	396.7	6,255	Genoa	West Bank, Cape Fear River.	6/4/40	50	35
<u>SAVANNAH, GEORGIA</u>								
<u>ITALIAN</u>								
SS	CLARA (F)	401.0	6,131	Trieste	Seaboard Airline R.R. Dock .	6/9/40	50	50
<u>JACKSONVILLE, FLA.</u>								
<u>ITALIAN</u>								
SS	CONFIDENZA (F)	412.4	6,458	Genoa	Anchored St. Johns River.	6/7/40	31	31
SS	IRCANIA (F)	413.1	4,815	Genoa	Anchored St. Johns River.	6/6/40	40	40
<u>MOBILE, ALABAMA</u>								
<u>ITALIAN</u>								
SS	IDA Z O (F)	403.4	4,935	Genoa	Mobile & Ohio R.R. Pier No. 8.	6/6/40	45	45

(F) = Freight Vessel.

TYPE	NAME	LENGTH	GROSS TONNAGE	HOME PORT	PRESENT LOCATION	DATE OF ARRIVAL	REG. NO. IN CREW	NO. NOW ON BOARD
------	------	--------	---------------	-----------	------------------	-----------------	------------------	------------------

NEW ORLEANS, LA.

ITALIAN

SS	ADA O (F)	373.0	5,234	Genoa	Anchored Miss. River Algiers Point.	5/30/40	45	45
SS	MONFIORE (F)	423.7	5,498	Genoa	Anchored Miss. River Algiers Point.	5/31/40	48	48

HOUSTON, TEXAS

ITALIAN

SS	MONGIOIA (F)	392.4	6,113	Genoa	City Dock, No. 7	7/21/40	50	50
----	--------------	-------	-------	-------	------------------	---------	----	----

SAN JUAN, P.R.

ITALIAN

SS	COLORADO (F)	386.2	5,039	Genoa	Anchored off Isla Grande.	6/7/40	50	50
----	--------------	-------	-------	-------	------------------------------	--------	----	----

COLON, PANAMA.

ITALIAN

SS	CONTE BIANCAMANO (P)	650.9	23,255	Genoa	Anchored off Cristobal.	6/27/40	500	500
----	----------------------	-------	--------	-------	----------------------------	---------	-----	-----

PORTLAND, OREGON.

ITALIAN

MS	LEME (F)	467.6	8,059	Trieste	_____	6/19/40	55	55
----	----------	-------	-------	---------	-------	---------	----	----

(F) - Freight Vessel
(P) - Passenger Vessel

Memoranda Folder

January 13, 1941.

MEMORANDUM

To: Mrs. Klotz
From: Mr. Gaston



The Secretary called me from the farm at 10:10 p.m. Saturday, January 11. He asked if it was true that a Coast Guard cutter was transporting some escaped French convicts who were being deported to Martinique. I told him yes and in response to his questions said that the matter had been arranged as a result of request by the Department of Justice supported by the State Department, and that the cutter UNALGA had picked up some of the men at Miami and was proceeding to San Juan, Puerto Rico, where she would get the others and go on to Martinique with them. The Secretary said he had just had a call from Mrs. Roosevelt who spoke for the President and asked that we have the ship returned and not go to Martinique with the prisoners until further orders were received. I told the Secretary that the UNALGA was either near or at San Juan, Puerto Rico, and that we could hold her there. He asked me to have it done immediately and added that it was not necessary to call him back unless I found it was impossible to stop the cutter.

I immediately called the duty officer at Coast Guard, Lieutenant Millington, and gave him the message, suggesting that he check the form of the message with Captain Chalker and report back to me. A few minutes later he telephoned back the form of the message as drafted by Captain Chalker:

To UNALGA: "Proceed to San Juan and await further orders before completing voyage to Martinique Acknowledge"

He explained that the UNALGA had arrived at San Juan at 6:50 a.m. Saturday and that Headquarters had received a routine message requiring reply which was not sent urgent indicating that the cutter was not to leave San Juan immediately but that the form of the message as drafted by Chalker would cover the situation if the UNALGA had already left. Millington called me Sunday morning to advise me that the skipper of the UNALGA had acknowledged receipt of the message.

BF Treasury folder

THE WHITE HOUSE
WASHINGTON

January 15, 1941.

MEMORANDUM FOR
THE SECRETARY OF THE TREASURY

I am sending you this wholly
confidential memorandum to read
and return.

F. D. R.

Memorandum to the President,
dated January 13, 1941, from the Chairman
of the Securities and Exchange Commission,
re attitude of the investment defense
bankers, and our national problems.



ASSISTANT SECRETARY

TREASURY DEPARTMENT
Washington.

February 17, 1941.

*PST
Treas*

*File
personnel
confidential*

CONFIDENTIAL

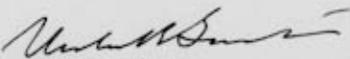
The President
The White House.

Attention: General Watson

Dear Mr. President:

By direction of the Secretary, I am enclosing a statement showing "Exports of Petroleum Products, Scrap Iron and Scrap Steel from the United States to Japan, Russia, Spain, and Great Britain, as shown by Departure Permits Granted during the week ended February 15, 1941."

Respectfully,


Herbert E. Gaston,
Assistant Secretary of the Treasury.

Enclosure.

EXPORTS OF PETROLEUM PRODUCTS, SCRAP IRON AND SCRAP STEEL
FROM THE UNITED STATES TO JAPAN, RUSSIA, SPAIN, AND GREAT BRITAIN
AS SHOWN BY DEPARTURE PERMITS GRANTED

Week ended February 15, 1941

	: JAPAN	: RUSSIA	: SPAIN	: GREAT BRITAIN
PETROLEUM PRODUCTS				
Fuel and Gas Oil (including Diesel Oil)	--	--	--	168,986 Bbls.
Crude -				
Blended or California High Octane Crude*	85,000 Bbls.	--	--	--
All Other Crude	62,044 Bbls.	--	--	60,000 Bbls.
Gasoline -				
Gasoline A**	--	--	--	--
Gasoline B*	84,019 Bbls.	--	--	112,408 Bbls.
All Other Gasoline	--	--	--	--
Lubricating Oil -				
Aviation Lubricating Oil***	7,863 Bbls.	--	--	--
All Other Lubricating Oil	129,794 Bbls.	--	--	--
Tetraethyl Lead***	--	--	--	--
"Boosters", such as Iso-Octane, Iso-Hexane, or Iso-Pentane	--	--	--	61,687 Bbls.
SCRAP IRON AND SCRAP STEEL				
Number 1 Heavy Melting Scrap	--	--	--	2,120 Tons
All Other Scrap	--	--	--	11,759 Tons

Office of the Secretary of the Treasury, Division of Research and Statistics.

February 17, 1941.

Source: Office of Merchant Ship Control, Treasury Department.

* Any material from which by commercial distillation there can be separated more than 3 percent of aviation motor fuel, hydrocarbon or hydrocarbon mixture - President's regulations of July 26, 1940.

** Aviation Gasoline.

*** As defined in the President's regulations of July 26, 1940.



*file
personal*

BF Treasury

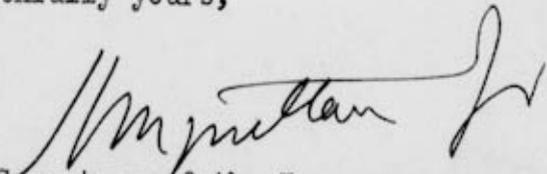
THE SECRETARY OF THE TREASURY
WASHINGTON

February 20, 1941

My dear Mr. President:

I submit for your information a memorandum prepared in the Treasury Department regarding the application of customs duties to imports of defense materials.

Faithfully yours,


Secretary of the Treasury.

The President,

The White House.

Enclosure

MEMORANDUM

Re: Application of customs duties to imports of defense materials.

All articles imported into the United States are subject to duty unless expressly exempted therefrom and no general exemption exists in favor of articles imported by or for the use of the United States or any department or agency thereof. The Tariff Act of 1930 provides specifically for the free entry of certain articles such as books, maps, charts, etc., imported by or for the use of the United States; but there is no free entry provision in the tariff act for articles likely to be classifiable as defense materials.

The only provision for free entry outside the tariff act likely to be of interest in connection with imports of defense materials is found in the Act of June 30, 1914, 38 Stat. 399 (U.S.C., title 34, sec. 568), which provides:

"That hereafter the Secretary of the Navy is hereby authorized to make emergency purchases of war material abroad: And provided further, That when such purchases

are made abroad, this material shall be admitted free of duty."^{1/}

In connection with recent purchases by the Navy Department of copper and zinc, which materials at the time of purchase were located in customs bonded warehouses within the United States, the Treasury Department took the position that it would not question a categorical certificate of the Navy Department that the procurement by it of such materials constituted an emergency purchase of war material abroad. Pursuant to such certificate the customs officers concerned have been authorized to release the copper and zinc without the collection of customs duties or import duties.

Article 314(d) of Customs Regulations of 1937 provides as follows:

"Estimated duties need not be deposited on shipments consigned to Government departments or bureaus or authorized representatives thereof, nor will the bond above provided for be required in such cases. After due entry therefor has been made, such merchandise

^{1/}Temporary provisions in similar language with regard to purchases of war material by the Secretary of War appeared in the following appropriation acts: Act of June 6, 1896, 29 Stat. 260; Act of March 2, 1907, 34 Stat. 1062; Act of June 15, 1917, 40 Stat. 201; and the Act of February 23, 1927, 44 Stat. 1137.

77th Congress
1st Session

may be immediately released. On liquidation of the entry the collector will state the duties due on vouchers, in duplicate, and present them for payment to the proper department disbursing officer."

Under this regulation it would be entirely possible in the case of importations for immediate clearance through customs, which will be released without deposit of estimated duties, for the importing department or agency to find itself without funds to pay the voucher for customs duties. In such case the importing department or agency might apply to Congress for a specific appropriation to pay the duties, or the claim might be closed on the ground of uncollectibility.

A more direct way to meet the situation, if it is determined that duties should not be payable, would be to seek legislation. This approach has already been considered to some extent. A draft bill was informally submitted to this Department by the Office of Production Management. A copy as revised by this Department is attached.

Attachment

77th Congress
1st Session

IN THE HOUSE OF REPRESENTATIVES

A B I L L

To exempt strategic and critical materials from customs duties and internal revenue taxes in certain cases.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That no duty or internal revenue tax shall be imposed or collected upon any strategic and critical materials procured in accordance with the Act of June 7, 1939 (U.S.C., 1934 edition, Supplement V, title 50, section 98-98f), or section 5d of the Reconstruction Finance Corporation Act, as amended by section 5 of the Act of June 25, 1940 (Pub. No. 664, 76th Cong.), and entered, or withdrawn from warehouse, for consumption on or after the day following the passage of this Act by or for the account of the United States or any agency thereof, including any corporation all the capital stock of which is owned and controlled directly or indirectly by the United States, when such materials are, or have been, imported or brought into the United States or any of its Territories or possessions (except the Philippine Islands).

Sec. 2. In the case of the sale by the United States or any such agency of any such material imported or brought into the United States or into any of its Territories or possessions (except the Philippine Islands), no tax shall be imposed by reason of such sale.

*file
Confidential*

PSF: Treasury folder
2-41

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE March 10, 1941.

TO Secretary Morgenthau
FROM Mr. Cochran (abridged by F. K.)

These are the channels through which the Treasury obtains detailed information about the British financial position:

FINANCES

(1) Ever since the Fall of 1939 the Secretary has had confidential access to the accounts of the Bank of England's special fund in the Federal Reserve Bank of New York for the purchase of war materials here. The Federal Reserve Bank reports to him weekly as to the exact total and movement of funds in this account, including the identity of payees.

(2) The Federal Reserve Bank supplies the Treasury weekly with a statement showing all disbursements, through the British Purchasing Commission and otherwise, made from the accounts of the British Government and the Bank of England with the Federal Reserve Bank of New York. This gives in detail the sources of such funds, whether coming from sales of gold or securities or from other credits.

(3) Foreign Service Officers report to the Treasury whenever gold shipments to the United States are made.

(4) Constant liaison with Sir Frederick Phillips and his assistants in Washington has enabled the Treasury to obtain such information as the British have regarding (a) their own and foreign gold holdings, (b) the amount and location of gold belonging to the British Government, and (c) any special information we may require.

SECURITIES

The Treasury is kept informed daily of the activities of the security expert sent here by the British Government to manage the sale of officially owned securities. At the start of this arrangement, the British provided the American Treasury with a detailed list of all American securities registered with the British Government. The daily report shows, (1) total sales of securities, indicating the number of shares and the dollar proceeds, and (2) an itemized list by name and amount of all securities sold each day.

DIRECT INVESTMENTS

The Treasury and the S. E. C. are in close touch with Sir Edward Peacock, who was sent to this country at the end of January to oversee the liquidation of British direct investments in the United States. His various propositions are studied by the Treasury's General Counsel before being consummated.

COMMITMENTS

For the past two months the British Purchasing Commission has sent the Treasury a daily list of the contracts it would like to place. Each such list is countersigned by Sir Frederick Phillips to indicate that funds are available. The British are not free to proceed with these contracts until they have the approval of the Secretary of the Treasury in each case.



TREASURY DEPARTMENT
OFFICE OF THE SECRETARY
WASHINGTON

March 19, 1941

*Trans. folder
2-41*

*PSF
Treas.*

My dear Mr. Forster:

I thought you might like to have a photostat of the inclosed letter to the President for your files.

Yours sincerely,

H. S. Klotz,
Private Secretary.

Mr. Rudolf Forster,
Executive Clerk,
The White House.

Enclosure.



THE SECRETARY OF THE TREASURY
WASHINGTON

March 17, 1941.

*See War
?
file*

My dear Mr. President:

I should like to renew my objection to the attached draft of a press release submitted by Secretary Stimson on Friday.

Secretary Stimson's proposed press release states:

"The position taken by these states [which impose sales and similar taxes] has caused such uncertainty that materielmen are threatening not to sell and contractors are threatening to stop work."

So long as the Federal Government continues to reimburse contractors for state and local sales taxes as part of the contract cost, there is no reasonable basis for any contractor who works for the Government on a cost-plus-a-fixed-fee basis to threaten to stop work because of such state and local taxes.

The proposed press release also states:

"It is obvious that, if these taxes are paid, certain favored states will be unduly enriched at the expense of the national defense program and of other states."

This seeks to isolate one small phase of the whole field of Federal and state tax immunities and fails to take into consideration the broader aspects of the inter-governmental

immunity problem.

The legislation suggested in the press statement proposed by Secretary Stimson would compel us to give up our present efforts (1) to end the exemption from Federal taxation of the income from future obligations of state and local governments, and (2) to give state and local governments the right to tax the income from future Federal obligations.

Furthermore, it would place us in the untenable position of trying to collect taxes on all private income, even if it is derived from a state or municipal government, while at the same time preventing the states from taxing in a non-discriminatory manner purchases of private contractors because they have a contract with the Federal Government.

You and I have been disturbed for some time by the overlapping of Federal, state and municipal taxation and by the inequalities resulting from the doctrine of reciprocal immunity. The Treasury has been trying to clarify this situation in Congress and in the courts.

In carrying out the program to end tax-exemption, the Bureau of Internal Revenue last Friday began a test case against seven bondholders of the Port of New York Authority, for the purpose of settling the constitutionality of a

Federal income tax on future state and local obligations. Once the courts have established the validity of such a tax, it will greatly facilitate the enactment by Congress of the short and simple statute twice recommended by you to end the immunity from income tax of these issues.

An immunity bill of the sort suggested by Secretary Stimson would, in my opinion, frustrate our efforts in this direction and might remove for many years any hope of repealing the exemption in the Internal Revenue Code of state and municipal issues. The question of the taxability of state and municipal bondholders upon the interest they receive is closely analogous to that of the taxability of articles bought or used by a Federal contractor. In both cases the expenses of the Government might be lessened if an exemption were granted, but this is not an adequate basis for asserting immunity. The sound test is whether the taxing statute discriminates against the Federal Government or against a Federal contractor in favor of other taxpayers. To prohibit the imposition of state sales taxes as suggested by Secretary Stimson abandons this test and substitutes by legislation the reciprocal immunity doctrine only recently discarded by the Supreme Court.

The taxes of which the contractors now complain are not discriminatory. They are state sales taxes, gasoline taxes and the like, which are applied equally to Federal contractors and to all other taxpayers.

The burden on the Federal Government resulting from state sales taxes is a normal incident of the organization within the same territory of two governments, each possessed of the taxing power.

Our Treasury estimates, incidentally, show that the additional cost to the Army and Navy as a result of such state and municipal taxes would not exceed \$5,000,000 a year, and that the total additional cost of cost-plus contracts for the whole 28 1/2 billion dollar defense program would not be over \$15,000,000. On the other hand the Treasury will ultimately receive additional revenue of \$200,000,000 a year if it succeeds in its attempt to end tax-exemption of interest from future state and municipal securities. This figure is, of course, based upon present income-tax rates, and will be increased materially by the higher rates we shall have to impose to finance national defense.

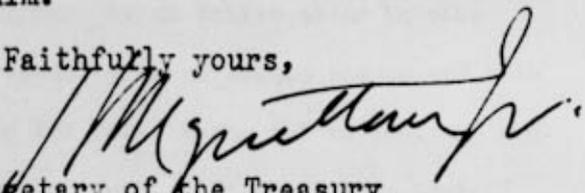
Moreover, Secretary Stimson's proposal would also prevent the states and municipalities from deriving additional revenue from Federal defense activities to pay for expenses

incurred as a result of those activities.

If we must choose between Secretary Stimson's proposal and the Treasury's program, it seems to me that we should choose the legislation which will not only result in a far greater saving to the Government but which will help us to build a more equitable tax system as well.

I strongly recommend against the issuance of Secretary Stimson's press release and the introduction of the legislation suggested by him.

Faithfully yours,



Secretary of the Treasury

The President

The White House

Enclosure

To the President

My attention has been called by the War and Navy Departments to a serious condition caused by uncertainty as to the application of state sales and similar taxes levied on contractors engaged on national defense projects on a cost-plus-a-fixed-fee basis.

Eighteen states have held that taxes of this nature are not applicable because of Federal immunity, and a number have not ruled on the question. However, several states have held that such taxes do apply and have taken active steps to make collection. The position taken by these states has caused such uncertainty that materielmen are threatening not to sell and contractors are threatening to stop work. It is obvious that, if these taxes are paid, certain favored states will be unduly enriched at the expense of the national defense program and of other states.

I am ^{now} ~~having a bill prepared for submission~~ to Congress designed to clarify this situation. // Until the matter is adjusted the Government will refrain, where practicable, from placing any cost-plus-a-fixed-fee contracts in those states which insist upon applying their taxes to transactions covered by such contracts.

MEMORANDUM:

PSF Issues folders
2-41

These papers were returned to Hon. Harold
D. Smith, under date of 4/16/41.

CONFIDENTIAL - SECURITY MATTER

hm

~~CONFIDENTIAL~~

APR 15 1941

MEMORANDUM FOR THE PRESIDENT:

There is submitted herewith for your approval proposed letters to the Secretaries of the Treasury and Navy Departments allocating \$1,050,000 from funds made available in the "Defense Aid Supplemental Appropriation Act, 1941" to the Navy Department for use in repairing a certain British vessel identified by the request number submitted by the British Repair Mission. The work to be done is generally as follows:

Request No. 107 - Repairs and alterations to 16,000 ton, 541 foot twin screw turbine reduction gear converted merchant ship. Rebalance two propellers. Lift two turbines. Rewind winch armature. Lift and reset hawse pipe. Overhaul all standing rigging. Clean and recement all fresh water tanks. Dock and paint bottom. Overhaul all sea connections. Paint outside of ship. Repair leaks and straighten bulkheads in peak tanks. Install permanent internal degaussing. Install splinter protection for all exposed sections. Install splinter protection for all vital electric leads, and duplicate all leads not now duplicated. Install depth charge facilities and facilities for additional personnel.

After approval, Mr. Forster will return all papers to the Bureau of the Budget for further processing.

(Signed) Harold D. Smith

Director.

In President's handwriting:
"Memo for H.D.S.
The part in brackets
should be omitted except
for orig. secret
copy in Bureau.
FDR"

~~CONFIDENTIAL~~

Defense Aid Allocation No. _____

THE WHITE HOUSE
WASHINGTON

My dear Mr. Secretary:

Under the provisions of the act entitled "An Act to promote the defense of the United States," approved March 11, 1941, I hereby make the following allotment of funds to the Navy Department from the appropriations provided by the "Defense Aid Supplemental Appropriation Act, 1941," approved March 27, 1941, as follows:

NAVY DEPARTMENT

For testing, inspecting, proving, repairing, outfitting, reconditioning, or otherwise placing in good working order any defense articles for the government of any country whose defense the President deems vital to the defense of the United States, including services and expenses in connection therewith, to be in addition to the amount allocated by me in Allocation No. 2 dated April 5, 1941 \$1,050,000

Please arrange for the necessary transfer of funds and advise the Navy Department when this has been done.

Sincerely yours,

(Signed) Franklin D. Roosevelt

The Honorable,
The Secretary of the Treasury.

HDS

~~CONFIDENTIAL~~

THE WHITE HOUSE
WASHINGTON

My dear Mr. Secretary:

I have allocated the sum of \$1,050,000 from the appropriation provided by the "Defense Aid Supplemental Appropriation Act, 1941," under the item "For testing, inspecting, proving, repairing, outfitting, reconditioning, or otherwise placing in good working order any defense articles for the government of any country whose defense the President deems vital to the defense of the United States, including services and expenses in connection therewith."

You are authorized to enter into commitments at this time as follows:

Repairs and alterations to British vessels in accordance with request No. 107, from the British Repair Mission \$1,050,000

This allocation is supplemental to that contained in Allocation No. 2 approved by me on April 5, 1941, and within the total amount of commitments authorized necessary adjustments may be made between the amounts specified for the different requests to meet requirements for the completion of the work authorized to be undertaken.

None of the funds herein allocated may be used to reimburse naval appropriations for the value of material on hand and used for the work herein authorized (other than articles carried in and issued from the Naval Supply Account) except as may hereafter be specifically authorized by me.

Sincerely yours,

(Signed) Franklin D. Roosevelt

The Honorable,

The Secretary of the Navy.

HBS



file personal

BSF Treasury folder

THE SECRETARY OF THE TREASURY
WASHINGTON
June 18, 1941

Memorandum for the President

What assets did the Nazis have available for expenditure in the United States before Germany was brought under foreign funds control?

Mr. John Franklin Carter's (Jay Franklin's) memorandum of June 12, dealing with the above topic, greatly underestimates the assets which the Nazis had available for expenditure in the United States before the recent extension of foreign funds control.

Mr. Carter rightly emphasizes the extent to which German assets in the United States have gone into hiding. Discovery of the true ownership of such hidden German assets will be one of the most difficult problems in the administration of our foreign funds control.

However, Mr. Carter is in error in saying that: "The only 'free' German reserve of dollar exchange is the approximately \$50,000,000 in American securities held in trust in Switzerland for the account of the German Dye Trust". Further, he is recording a mistaken belief when he says that: "German funds in the United States are not believed to amount to more than \$10,000,000 in cash and securities".

The following is the true picture, in accordance with the best information available before we have completed our inventory of foreign property in this country and with due allowance for gaps in our knowledge of the assets convertible into dollars which the Nazis hold in other countries:

1. Gold - - It is not at all impossible that the Germans have as much as $\$3\frac{3}{4}$ billion of gold, apart from French gold.

Some gold they no doubt had when the war began. They may have taken over some of the \$68,000,000 of Polish gold which the French moved to Dakar, besides such private gold holdings as were left in Poland. The British report that the Germans

seized \$160,000,000 worth, from official holdings, in Holland. Probably about \$190,000,000 worth of Belgian gold (but possibly as much as \$260,000,000) is being turned over to them by France. They have certainly acquired some Swedish gold, and they have probably acquired some Swiss gold and some Russian gold. They may have acquired some private gold in Alsace-Lorraine, Belgium, the Netherlands, etc.

2. Dollar Balances -- Balances in the United States in Germany's own name are small, but she has substantial balances in other countries which, before the recent extension of our foreign funds control, could be converted into dollars at will.

Germany's known dollar balances in the United States are now only \$6 million.

By far the larger part of Germany's dollars have been held in dollar accounts (or local currency accounts convertible into dollars) in Switzerland, Spain, Portugal, Sweden, and Latin America. It is from these accounts that Germany did draw the dollars to pay perhaps as much as \$100,000,000, since the outbreak of war, for the repurchase of German securities formerly held by foreigners and to buy up branch plants in Germany owned by foreign corporations. It is with these dollars that -- while she has only \$6 million on deposit in the United States -- Germany is currently making offers totalling many tens of millions of dollars to buy up American-owned branch plants in German-controlled territory.

3. Long-term Dollar Investments -- In the United States, held in German names, perhaps \$35,000,000; held abroad, or in the United States, but not in German names, certainly larger.

A Treasury study of known German long-term investments in the United States, based on the withholding tax returns, estimated the value of such assets at the end of 1940 at approximately \$35,000,000. This estimate makes no allowance for concealment nor for liquidation since that date.

Germany has acquired control of United States securities which may total hundreds of millions of dollars through her administration of the occupied countries. Such United States securities, formerly belonging to nationals of the occupied countries, as she has not confiscated, purchased (with funds supplied by the occupied country), or brought under German control by the assumption of administrative authority over banks and security agents, have been required to be registered in special blocked accounts. However, we hope that our controls will now render the liquidation of those securities in the United States impossible.

A. M. ...

JOHN FRANKLIN CARTER

(Jay Franklin)

1210 NATIONAL PRESS BUILDING
WASHINGTON, D. C.

"We, the People"
"The Week in Washington"

Metropolitan 4112
Metropolitan 4113

June 12, 1941.

MEMORANDUM ON GERMAN FUNDS AVAILABLE FOR NAZI PURPOSES IN THE U.S.A.

Reports to Frank Page of I.T. & T. from Colonel Behn indicate that the only "free" German reserve of dollar exchange is the approximately \$50,000,000 in American securities held in trust in Switzerland for the account of the German Dye Trust.

Nazi authorities are permitting trading on the Amsterdam Bourse, etc., in certificates ~~xxxx~~ which represent American securities seized in occupied territory or taken under what amounts to forced sale from their inhabitants. These securities are held by the German authorities against the certificates. Offer was made to purchase I.T. & T. properties in Germany with such certificates; offer was refused.

German funds in the U.S. are not believed to amount to more than \$10,000,000 in cash and securities. Much more has gone into hiding; safe-deposit boxes, dummies, etc. and is being held for use as needed by the German authorities. Perhaps a sudden freezing of all safe-deposit boxes might locate this currency etc.

J.F.C.
J.F.C.





THE SECRETARY OF THE TREASURY
WASHINGTON

June 24, 1941.

*4
Gift
Journal*

PSF Treasury Folder

My dear Mr. President:

It gives me great pleasure to send you a copy of the report submitted by Rear Admiral Covell in connection with the recent cruise of the Cutter GENERAL GREENE.

I believe that you will be interested in reading of the heroic service rendered by Chief Boatswain C. L. Jordan, the Commanding Officer, and the entire personnel of the vessel.

Faithfully yours,

Wm. H. Taft Jr.

The President,
The White House.
Enclosure.

United States Coast Guard
Headquarters

Address the Commandant, U. S.
Coast Guard and Refer to No. OP-601
612
650

TREASURY DEPARTMENT

United States Coast Guard

WASHINGTON

17 June, 1941.

~~CONFIDENTIAL~~

MEMORANDUM FOR: Assistant Secretary Herbert E. Gaston.

Subject: Cruise Report of the Cutter GENERAL GREENE for the
period 3 May - 8 June, 1941.

1. The attached copy of a Report of the GENERAL GREENE for the period 3 May - 8 June, 1941, is self-explanatory and is forwarded for your information.
2. This is an excellent report of duty well done, and Chief Boatswain C. L. Jordan, Commanding Officer, GENERAL GREENE, and the entire personnel of the vessel are being sent letters of commendation by Headquarters.
3. Photographs relating to this incident will be forwarded to you in a day or two.

(Signed) L. C. Covell

L. C. COVELL,
Rear Admiral, U. S. Coast Guard,
Acting Commandant.

601-612-CONFIDENTIAL

First Indorsement

BOSTON DISTRICT
Boston, Massachusetts
11 June, 1941.

From: Commander, Boston District.
To : Commandant.

Subject: GENERAL GREENE: Cruise report, 3 May - 8 June, 1941.

1. Forwarded, approved.
2. The extraordinary experience in search and rescue of the survivors was performed with remarkable intelligence, courage and seamanship.
3. It is recommended that Chief Boatswain Jordan be given highest commendation by the Department. His foresight in estimating the situation and taking proper action with slightest information was very unusual.
4. Paragraph 6 indicates the necessity for coordinating Codes.
5. Transmission of this correspondence by registered mail is authorized.

T. A. SHANLEY.

601
612

~~RESTRICTED~~

TREASURY DEPARTMENT

Coast Guard Cutter
GENERAL GREENE

United States Coast Guard

Woods Hole, Mass.,
8 June, 1941.

From: Commanding Officer, GENERAL GREENE.
To : Commandant (Via Commander, Boston District).
Subject: GENERAL GREENE cruise report 3 May, 1941 - 8 June, 1941.
References: (a) H/L 11 March, 1941 (OP-612) with inclosed schedule.
(b) Report of Principal Oceanographer; second cruise season 1941 (612).
(c) GENERAL GREENE 211827 May.
(d) H/D 212254 May.
(e) GENERAL GREENE 222116 May.
(f) NORTHLAND 242210 May.
(g) H/D 281800 May.
(h) GENERAL GREENE 282125 May.

Inclosure: (1) Letter from Chaplain to Missions to Seamen. (Copy).

1. In accordance with reference (a) the GENERAL GREENE departed from Woods Hole at 0945 May 3rd, 1941 to continue the Oceanographic program in connection with the International Ice Patrol, arriving at St. John's, Newfoundland for fuel and water at 0900 May 7th.

2. Departure was taken from St. John's at 1020 May 9th and the current survey was resumed at 1450 May 10th at station #3430 in 43° 14'N - 50° 07'W and continued to station #3481 in 46° 20'N - 49° 00'W at noon the 20th May; the scientific report of this survey is covered by reference (b).

3. From departure at St. John's to completion of last oceanographic station, a period of 266 hours, dense fog was experienced a total of 182 hours or 68 $\frac{1}{2}$ % of the time. On three occasions during this period the GENERAL GREENE was found to be in the midst of East-bound convoys of about 30 ships in formation without lights and maintaining radio and whistle silence until danger of collision was imminent. This is a hazard that did not exist previous to last season when the ice patrol vessel was informed of positions of vessels in the area by radio.

4. Every opportunity was used to become familiar with the sound equipment and a record kept of the results, which varied greatly. On one occasion the Q.C. gave excellent results up to 5600 yards, on another occasion against a known target, but 400 yards was obtained. Upon completion of station #3481 the vessel cruised to the northward across the Labrador current in search of ice to experiment with the sound equipment, in compliance with reference (a). During this day, nine "S.S.S. submarine attack" alarms were received from British vessels about 800 miles North of us and about 170 miles S.S.E. of Cape Farewell, Greenland.

5. On the afternoon of the following day an urgent code message from HEADQUARTERS to the NORTHLAND and MODOC was intercepted; this vessel had no means of decoding this message but suspected it directed these vessels to search for survivors. In view of the fact that the Oceanographic program was sufficiently ahead of schedule to permit this diversion without interference, a course was set for St. John's to replenish supplies and be in a position to assist in the search should our services be desired and a message to that effect was transmitted to HEADQUARTERS, by reference (c).

6. Arriving at St. John's at 0845 the 22 May having been delayed by 15 hours of zero visibility, fuel and stores were received and minor temporary repairs effected in the engineers department, the vessel proceeded at 1739 the same date for the scene of probable drift of any lifeboats from the torpedoed convoy, dense fog was experienced most of the time. In accordance with reference (d) a dispatch was transmitted to the NORTHLAND (reference (e)), then on the scene with the MODOC, offering the services of this vessel; no reply being received the GENERAL GREENE continued at maximum full speed maintaining an average of 11 knots. Upon approaching the area on the evening of May 24th an urgent code message from the MODOC to the NORTHLAND was intercepted, shortly thereafter an urgent code message from the NORTHLAND to HEADQUARTERS was intercepted and it was noted that both vessels were hastily leaving the area standing toward FREDRICKSDAL, Greenland; it was assumed that they were searching for a submarine base; three days later it was learned that the MODOC had found herself in the midst of a Naval engagement. It would appear that under the circumstances the GENERAL GREENE might be considered an interested party and should receive such information when available; this information was denied through use of a code not in the GENERAL GREENE'S possession. At 0930 the 26th May while searching for survivors from the torpedoed British S/S MARCONI with a visibility of 500 yards the GENERAL GREENE heard heavy gunfire for about 15 minutes on bearing 160° True from approximate position 56° 20'N - 38° 30'W, heavy smoke was also noted on this bearing and aircraft was heard overhead but not visible. An hour later when the fog lifted for a few minutes four large Battleships were observed standing to the Northward in formation at great speed and were soon lost to view. Not knowing that a running Naval Battle was taking place in this vicinity, the GENERAL GREENE reported these Battleships as Heavy Cruisers; in the belief that no Battleships were within 1500 miles of this area. The Commanding Officer of a British Naval vessel stated that these were Battleships.

7. The NORTHLAND, by reference (f), directed the GENERAL GREENE to search for survivors from two vessels torpedoed the 20th in 56° 00'N - 41° 00'W; this was in addition to reports the GENERAL GREENE had intercepted. A dotted line was drawn 85° and 130° from this position and an ARC described at 65 and 90 miles to indicate the sector of probable drift; approaching this zone at 0400 the 26th visibility becoming zero the GENERAL GREENE drifted until 0500 when visibility improved to 500 yards, proceeding slowly, Number 4 lifeboat from the MARCONI was picked up at 0520 in 56° 20'N - 38° 38'W about 260 miles S.E. EGGER ISLAND, Greenland, with the Chief Officer, Mr. T. C. Townsend and 19 additional survivors in a helpless condition after six days in an open 26-ft. lifeboat half full of sea water, with strong westerly winds, snow and rough seas. The Chief Officer advised that he had lost sight of No. 1 Boat which had a portable radio transmitter, and contained 24 persons with the First Mate, the previous night. This indicated that this boat should be within ten miles of this spot; short rectangular courses were accordingly steered from this point at 1/2 mile intervals, visibility being 500 yards. At 1040 picked up No. 2 boat in position 56° 20'N - 39° 05'W with the

third officer who was mentally unbalanced and 18 additional survivors, all of whom were helpless. One man in this boat had died during the night from drinking salt water. Number 2 boat had not seen number 4 boat for the previous four days, so the search was continued until dark for No. 1 boat. The results were inconclusive due to very low visibility. The NORTHLAND arrived in the area the following morning and continued the search. In view of this fact and due to the condition of the men and the shortage of fresh water it was deemed essential that the nearest port over 800 miles distant be made without further delay. Accordingly permission was requested and received from the NORTHLAND to proceed to St. John's. With 75 persons on board the GENERAL GREENE the facilities were taxed to the utmost; however, every man in the ship gave up his bunk, bedding and clothes to the distressed seamen; it is perhaps unfair to single out any individual for special credit, as every one did all within their power to aid. Perhaps the heaviest burden fell upon the two cooks, H. L. HUBBARD (206-715), S. C. 1c.(Pro) and C. G. STARLING (201-285), S. C. 2c. (Pro), who on a single burner stove in a crowded galley kept 75 men satisfied for six days, half of which period was marked by gales reaching hurricane force, with such heavy confused seas that two large Portuguese trawlers foundered on the Grand Banks. It was almost impossible to keep a pot on the stove, and the menu was subject to frequent and sudden change as catastrophe followed catastrophe. It is expected that service personnel will perform their duty under any circumstances, I believe these two cooks have really proven themselves "Semper Paratus", on this occasion. When we were swamped with this sudden increase in personnel the three civilian Oceanographers, Mr. Floyd M. Soule, Dr. Clifford L. Barnes, and Mr. Gilbert Oakley, Jr. volunteered to do anything within their power, (I had previously offered them the privilege of remaining at St. John's until we returned); they were assigned duty as a three section watch under the Pharmacist's Mate, 1c. NEWBORNE to care for the helpless; they all worked twenty hours or more a day, continuously bathing, feeding, nursing and comforting the survivors in a poorly ventilated compartment below decks, (due to the necessity to batten down for heavy weather) the odors of which are beyond description but could be carved with a knife.

8. On the 27th the GREENE proceeded at slow speed for ten hours and drifted for six hours to permit the MODOC to effect contact and afford her medical officer an opportunity to examine the survivors. He found that everything possible was being done and there was nothing further that he could do. At 1600 the 27th May, resumed course and speed for St. John's, with falling barometer and strong winds from the S.E. reaching gale force for the next three days and hurricane force on the third day when the barometer reached 28.58. At midnight the 30th May the GENERAL GREENE moored at St. John's having transported the 39 survivors a distance of 907 miles and transferred them to the various hospitals, this included one soldier, a mental case, and one Naval Gunner, seventeen were stretcher cases, the others having responded remarkably to the care given them and though suffering painfully from swollen, blistered, and frost bitten feet were able to be about. One of these survivors died two days after admission to the hospital and many of them are suffering from gangrene and are expected to undergo amputations. The medical officers, hospital corpsmen, and ambulances from the four hospitals in St. John's and from the Newfoundland Base Command, U. S. Army and the Canadian forces rendered full assistance and were standing by on the dock awaiting our

arrival, it took four hours to transfer the survivors. Due to one of the worst blizzards and snow storms of the year, the power and transmission lines were blown down in St. John's preventing the Radio Station "V.O.N." on Cabots Tower using his transmitter. To enable the GENERAL GREENE to get in without unnecessary delay this station offered to obtain free radio bearings on the GENERAL GREENE telephoning them to the U. S. Army Transport ALEXANDER, for transmission, which proved a great help and avoided the necessity of laying off shore for clearing weather. The "ALEXANDER" handled all our traffic with the American Consul General, which of course is a saving in communications costs.

9. THE H.M.S. CHURCHILL (ex U.S.S. HERNDON, C.G.) landed 17 of the 24 survivors from Number 1 boat of the MARCONI several hours before the GENERAL GREENE arrived, having lost one soldier overboard in the rescue, the remainder having died. This boat was picked up at 0300 the 29th May in a position reported as $55^{\circ} 40'N - 43^{\circ} 39'W$, however this position is very doubtful.

10. The Chief Officer stated that the MARCONI was one of 28 ships in a west-bound convoy, which dispersed in $58^{\circ} 00'N - 41^{\circ} 00'W$ with orders to keep west of the 41st meridian. A few hours after the escort vessels left, they encountered a large east-bound convoy. During the afternoon nine vessels were torpedoed on all sides of them. At midnight they were torpedoed and abandoned ship. The antennae carried away and they were unable to release a message. They were bound for Buenos Aires for frozen beef and carried a crew of 80 men. Four boats were lowered but as the engines were not stopped, as the boat hit the water, their painters carried away. The master, Captain Hailstone and Chief Engineer William H. Harrison never got off the ship. The vessel apparently stopped sinking and was shelled until she went down. Number 3 boat with only four persons has not been reported. It is believed 12 persons went down with the ship, only a few were pulled out of the water due to darkness and rough seas.

11. As the GENERAL GREENE approached the area on the 23rd the oil tanker San Felix, which had been torpedoed in the west-bound convoy was passed, enroute to St. John's, which was reached safely with a 30foot hole at the waterline on the port side just forward of the bridge.

12. Reference (g) reported an overdue Naval plane last reported in position about 380 miles North of Cape Spear, at this time the GENERAL GREENE was about 380 miles N.E. of Cape Spear in a strong westerly gale and was in no position to render any effective aid, as explained in reference (h), About two hours later the safe arrival of the plane was reported.

13. After replenishing supplies, cleansing blankets, and scrubbing bunks and interior of ship with creosote the GENERAL GREENE departed St. John's at 1310 4th June for Woods Hole stopping about 70 miles S.E. of Sable Island for a sample of salt water and arriving at Woods Hole at 1300 June 8th, 1941. Plus 3 1/2 zone time (St. John's standard time) is used throughout in this report.

GENERAL GREENE Cruise Report 3 May, 1941 - 8 June, 1941.

8 June, 1941

14. During this cruise the vessel was underway 702.3 hours and cruised 5803 miles. Fog with visibility of less than two miles was experienced 293 hours. Winds of gale force 73 hours. Oceanographic stations occupied 52; Bathythermograph stations 320. Persons rescued from peril 39. Routine Hydrographic and weather schedules were observed with radio Washington.

(Signed) C. L. Jordan

C. L. JORDAN

CATHEDRAL MENS' BIBLE CLASS
AFFILIATED TO THE MISSIONS TO SEAMEN

Missions to SEAMEN.

Patron:

His Majesty the King.

Vice Patron:

The Archbishop of Canterbury

Vice President:

The Bishop of Newfoundland.

THE MISSIONS

TO SEAMEN

C.M.B.C

Chairman and Chaplain

Rev. J. Brinton

HEADQUARTERS: CATHEDRAL CLERGY HOUSE

ST. JOHN'S, NEWFOUNDLAND.

June 2, 1941.

To Captain Jordan
GENERAL GREENE,
City

Dear Captain:

I have been asked by Mr. T. C. Townsend, Chief Officer,
and the other survivors of the recently torpedoed T.S.S. MARCONI, of
Liverpool register, to convey to you and the whole of your ship's company
their heartfelt thanks for your many kindnesses to them in the work of
rescue. Your persevering efforts in search of the boat's under very diffi-
cult circumstances is particularly appreciated. It is a real joy to all
of us to hear them speak of the way in which you and your fellows helped
them over their difficulties.

I remain,
on behalf of the survivors,
Yours sincerely,

(Signed) J. BRINTON
Chaplain to Missions to Seamen.



*file
confidential*

PSF Treasury Folder

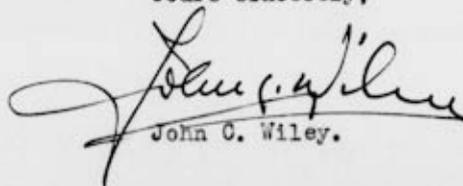
TREASURY DEPARTMENT
WASHINGTON

July 5, 1941

Dear Miss Tully:

Enclosed is a memorandum which I have prepared for the Secretary of the Treasury. Mr. Morgenthau has instructed me to have it placed in your hands.

Yours sincerely,


John C. Wiley.

Miss Grace Tully
The White House
Washington, D. C.

July 5, 1941

MEMORANDUM FOR SECRETARY MORGENTHAU:

In re: Japanese Shipping.

On the afternoon of July 2, 1941, New York telephoned Commissioner Johnson of Customs and stated that rumors were persistent in shipping circles in New York that (1) all Japanese vessels had been ordered to be in home waters by July 30, 1941, and that (2) principal officers of the Mitsui and Mitsubishi shipping companies had been ordered to proceed to Japan by July 15.

Simultaneously, a Naval Intelligence Agent in New York reported to the Navy Department that definite confidential information was received from Japanese lines and executives that all Japanese ships must be in the Pacific Ocean by August 1, 1941.

Stanley Hornbeck of State Department subsequently received a personal letter from a prominent oil man in New York with similar information.

Today, Commissioner Johnson received a report from New York that ten high officials of the Mitsui Steamship Company had shipped their personal effects to Japan April 22 last. One of these officials, Mr. Katsumori, said to be the General Manager of this company in New York, is leaving July 7 for the West Coast to sail for Japan.

However, New York Customs made a check of the offices of Mitsui, Mitsubishi, K. K. K., Yamashita, O. S. K., the Yokohama Specie Bank, and other Japanese concerns and found no signs of liquidation of or unusual activities in these offices; except that Mitsui is giving up Pier 30 in Brooklyn which it has under lease.

After checking with ONI, it appears that by July 22 all Japanese ships along the Atlantic and Gulf Coasts of North America will have gone through the Panama Canal into the Pacific. New Orleans Customs reports that the SS AMAGISAN MARU which was originally scheduled to arrive there on July 9 for cargo and to proceed to San Diego for bunkers, had received orders from New York directing the vessel to proceed from New Orleans direct to Japan.

There is no precise information with regard to Japanese shipping in the Caribbean and South Atlantic waters. There are, however, seven or eight Japanese ships in those waters and one is expected to go through the Canal shortly. The others are probably so located that they could be taken around the Horn or the Cape within fairly short order.

There have been no sailings from Japan for East Coast ports of either North or South America since June 24.

Except for press reports with regard to the requisitioning by the Japanese Government of certain Japanese ships in the Pacific, there has been no information as yet to indicate any change in Japanese shipping schedules to West Coast ports. ONI, however, has just

received a report from Lima, Peru, stating that all Japanese ships on the West Coast of South America had been ordered to depart for Japan. Instead of bunkering as usual in Los Angeles, they will take on fuel at Talara. ONI has not yet had time to verify this story.

Honolulu Customs reports that Japanese vessels sailing for Japan are repatriating local Japanese to full capacity.

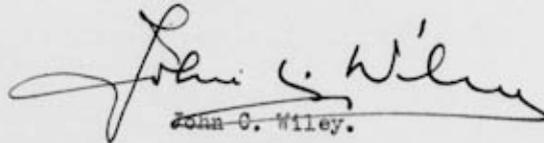
San Francisco Customs says that Mitsui and Mitsubishi have given instructions to their employees that their families are to go back to Japan immediately. Seattle Customs reports that a substantial number of native and foreign-born Japanese have been departing for Japan for the past thirty days. During the last six weeks Japanese residents in that area have been cancelling their life insurance in substantial numbers. San Francisco states that the Sun Life Insurance Company, which handles the bulk of Japanese life insurance there, has noted an increase in Japanese cancellations with their company during the past four months.

The abrupt withdrawal of Japanese ships from the Atlantic can hardly be explained solely by Japanese tonnage requirements, no matter how pressing. Moreover, the fact that this Japanese action coincided with the Imperial Council, which was held in Tokyo in the presence of the Emperor on July 2, may be more than accidental.

The inference may be drawn that the Japanese Government is taking sweeping measures either as a precaution in view of the rapidly developing situation in respect of the Soviet Union, or in

anticipation of positive measures which have already been decided on by the Imperial Council.

United States Customs officers at New York, New Orleans, San Francisco, Los Angeles, San Diego, Seattle, Portland and Honolulu are on the alert and are watching developments closely.


John C. Wiley.

PSF Treasury Folder

July 6, 1941

~~Strictly Confidential~~

file →

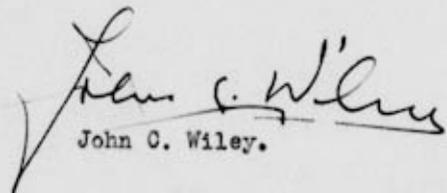
MEMORANDUM FOR SECRETARY MORGENTHAU:

In re: Japanese Shipping.

The following message has been received by Coast Guard from the Commandant of its Honolulu District:

"Probable suspension of service by other vessels in addition to N. Y. K. Line is indicated by current intercepts. A marked departure in past 36 hours from usual routine by Japanese ships as pertains communication practices."

The above reference to N. Y. K. Line having suspended service has been carefully checked by Coast Guard Intelligence here and by ONI and it appears to be the first word that has come in on the subject.


John C. Wiley.



*file
Confidential*

PSF Treasury Folder

THE SECRETARY OF THE TREASURY
WASHINGTON

July 8, 1941

My dear Mr. President:

I am enclosing herewith the latest information from our Customs Agent in New Orleans, which indicates that four Japanese vessels are in the process of loading considerable quantities of lubricating oil for Japan.

I have passed this information along to the Secretaries of State, War, Navy and Interior.

Yours sincerely,

The President,
The White House.

~~STRICTLY CONFIDENTIAL~~

Reference: Letter of July 3 from Acting Customs Agent in Charge at New Orleans.

"The SS KIRISIMA MARU of the Kokusai Line is scheduled to leave Boston, Mass. today (July 3, 1941). This vessel was originally scheduled to proceed to New Orleans, Louisiana via the port of Tampa, Florida. This itinerary was later cancelled and the boat will now proceed direct to New Orleans and is expected to arrive here on July 9, 1941. The vessel will take on a cargo consisting of 7,000 bbls. lubricating oil, and 1,500 tons bulk lubricating oil. According to the agents the itinerary will then be Yokohama, Kobe, and Osaka, Japan via Los Angeles, California.

"The SS AMAGISAN MARU of the Mitsui Line is also scheduled to arrive at this port on July 9, 1941. This vessel will take on a cargo of 15,000 barrels lubricating oil, and 1,000 tons bulk lubricating oil. Originally the vessel was scheduled to clear for Japan via the port of San Pedro to take on bunkers, however today the agents received an air mail letter from New York cancelling the sailing for San Pedro and instead will load bunkers at New Orleans and then proceed direct to Karatsu, Japan.

"The SS TOKAI MARU of the Osaka Shosen Kaishi Line is scheduled to arrive at this port on July 6, 1941, to take on a cargo consisting of 23,500 barrels lubricating oil, and 1,000 tons bulk lubricating oil.

"The SS AZUMA MARU of the Nippon Kaisha Line is now at the port of New Orleans, and is expected to sail sometime this afternoon for Yokohama, Osaka, and Kobe, Japan via Los Angeles, California. The vessel took on a cargo consisting of 4,000 wooden barrels lubricating oil destined for Kobe, Japan; 7,000 unlined wooden bbls. motor lubricating oil M-60-A destined for Yokohama, Japan; and one case personal effects destined for Yokohama, Japan."

Totals 49,500 barrels lubricating oil.
7,000 barrels motor lubricating oil
3,500 tons bulk lubricating oil.

Most of this oil coming from Cities Service, Phillips Petroleum and Gulf Oil.

~~STRICTLY CONFIDENTIAL~~

BF Treasury Folder

July 9, 1941.

MEMORANDUM FOR

THE SECRETARY OF THE TREASURY

I am ready to make a strong statement to Congress on the tax bill whenever you think the time is appropriate. I would lay particular emphasis on the excess profits tax.

Will you consider also the means which I should employ to give expression to this matter.

F.D.R.

HLH/lmb
6/23/41

*Also see special folder - New Tax File
Drawer 4-41*



THE SECRETARY OF THE TREASURY
WASHINGTON

*file
Confidentiality PSF
Library
Follett*

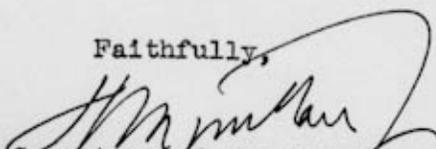
November 19, 1941

My dear Mr. President:

I am enclosing a report of our exports to some selected countries during the week ending November 8, 1941.

These reports are obtained with the cooperation of the Department of Commerce from the export declarations currently filed with the Treasury Department.

Faithfully,


Secretary of the Treasury.

The President,
The White House.

Enclosures

Exports to Russia, China, Burma, Japan,
France and other blocked countries, as
reported to the Treasury Department
during the week ending November 8, 1941

1. Exports to Russia

Exports to Russia as reported to the Treasury during the week ending November 8, 1941 amounted to about \$4,600,000. Landplanes and motor trucks and chassis were the principal items. (See Appendix C)

2. Exports to China and Burma

Exports to Free China totalled \$1,672,000, of which motor trucks and chassis accounted for about 80 percent. This represented a considerable decline from the \$4,700,000 exported during the previous week. (See Appendix D) Exports to Occupied China during the week under review amounted to \$164,000 as compared with \$438,000 during the previous week. (See Appendix E)

Exports to Burma were valued at \$342,000, a large percentage of which are probably destined for Free China. (See Appendix F)

3. Exports to Japan

Exports to Japan amounted to about \$5,000, of which food items were of main importance. This was the first week in more than two months that exports to Japan amounted to more than \$500 in any one week. (See Appendices B and G)

4. Exports to France

No exports to France were reported during the week ending November 8, 1941.

5. Exports to other blocked countries

Exports to other blocked countries are given in Appendix A.

~~STRICTLY CONFIDENTIAL~~

SUMMARY OF UNITED STATES
DOMESTIC EXPORTS TO SELECTED COUNTRIES
AS REPORTED TO THE TREASURY DEPARTMENT
FROM EXPORT DECLARATIONS RECEIVED
DURING THE PERIOD INDICATED 1/

July 28 to November 8, 1941

(In thousands of dollars)

	July 28 to <u>Oct. 25</u>	Week ended <u>November 1</u>	Week ended <u>November 8</u>	Total <u>Domestic Exports</u>
U. S. S. R.	\$36,767	\$ 4,484	\$ 4,552	\$ 45,803
Occupied China	9,184	436	164	9,784
Free China	11,819	4,392	1,672	17,883
Japan <u>2/</u>	1,864	<u>5/</u>	5	1,870
Burma <u>3/</u>	3,845	58	342	4,245
France <u>4/</u>	6	-	-	6
Occupied France	-	2	-	2
Free France	.4	-	-	.4
Spain	1,659	<u>5/</u>	74	1,743
Switzerland	3,508	47	10	4,565
Sweden	6,889	1	2	6,892
French Indochina	303	-	-	303

Treasury Department, Division of Monetary Research

November 12, 1941

- 1/ Many of the export declarations are received with a lag of several days or more. Therefore this compilation does not accurately represent the actual shipment of a particular week. The longer the period covered, the closer will these figures come to Department of Commerce revised figures.
- 2/ July 28 - August 23, 1941 - All this material was shipped prior to freezing orders. Domestic exports from August 23 through week ending November 1 amounted to \$893.00 - these were principally parcel post shipments.
- 3/ From September 11, 1941 to date - it is presumed that a large percentage of material listed here, consigned to Burma, is destined for Free China.
- 4/ Includes both occupied and Free France through week ending October 4, 1941. Occupied and Free France separated thereafter.
- 5/ Less than \$500.00

~~STRICTLY CONFIDENTIAL~~

Appendix B

Exports from the U.S. to China, Burma, Japan, and U.S.S.R. as reported
to the Treasury Department, July 28, 1941 -
November 8, 1941
(Thousands of Dollars) 1/

	Total	Exports to China		Exports to Burma <u>3/</u>	Exports to Japan	Exports to U.S.S.R.
		To Japanese controlled ports	To Chinese controlled ports			
July 28 - Aug. 2	937	542	395		1,657	4,523
Aug. 4 - Aug. 9	2,794	2,794	--		159	551
Aug. 11 - Aug. 16	1,278	969	309		42	986
Aug. 18 - Aug. 23	1,352	1,350	2		6	2,735
Aug. 25 - Aug. 30	736	735	1		--	1,023
Sept. 2 - Sept. 6	897	693	204		--	4,280
Sept. 8 - Sept. 13	3,038 <u>2/</u>	757	2,281 <u>2/</u>		--	5,217
Sept. 15 - Sept. 20	3,978 <u>2/</u>	156	3,822 <u>2/</u>		--	752
Sept. 22 - Sept. 27	462	352	110	449	--	2,333
Sept. 29 - Oct. 4	1,305	80	1,225	684	--	323
Oct. 6 - Oct. 11	5,864	552	5,312	1,157	--	6,845
Oct. 13 - Oct. 18	272	267	5	35	--	1,924
Oct. 20 - Oct. 25	668	399	269	403	--	5,623
Oct. 27 - Nov. 1	5,210	438	4,772	58	--	4,484
Nov. 3 - Nov. 8	<u>1,836</u>	<u>164</u>	<u>1,672</u>	<u>342</u>	<u>5</u>	<u>4,552</u>
Total	30,627	10,248	20,379	3,128	1,869	46,151

1/ These figures are in part taken from copies of shipping manifests.

2/ Figures for exports to Free China during these weeks include exports to Rangoon which are presumed to be destined for Free China.

3/ It is presumed that a large percentage of exports to Burma are destined for Free China.

Treasury Department, Division of Monetary Research.

November 14, 1941

~~STRICTLY CONFIDENTIAL~~

Appendix C

Principal Exports from U.S. to U.S.S.R.,
as reported to the Treasury Department
during the week ending November 8, 1941

(Thousands of Dollars)

TOTAL EXPORTS \$ 4,552

Principal Items:

Landplanes, powered	1,606
Motor trucks and chassis	992
Aviation gasoline	384
Forging machinery	163
Gasoline, ordinary	151
Military tanks and parts	142
Lathes	98
Sole leather	97
Other power-driven metal-working machinery	84

Treasury Department, Division of Monetary Research November 14, 1941

~~STRICTLY CONFIDENTIAL~~

Appendix E

Principal Exports from U.S. to Occupied China
as reported to the Treasury Department during
the week ending November 8, 1941

(Thousands of Dollars)

TOTAL EXPORTS TO OCCUPIED CHINA	\$ 164
Principal Items:	
Wheat cereal foods	50
Evaporated milk	17
Refrigerators	8
Coal-tar products	8
Fountain pens	6
Wrapping paper	6
Halibut liver oil	6
Bathtubs	6
Vegetables and preparations	5

Treasury Department, Division of Monetary Research November 14, 1941

~~STRICTLY CONFIDENTIAL~~

Appendix F

Principal Exports from U.S. to Burma as reported
to the Treasury Department during the week ending
November 8, 1941

(Thousands of Dollars)

TOTAL EXPORTS \$ 342

Principal Items:

Auto replacement parts	82
Iron and steel plates, sheets, skelp and strips	47
Motor trucks	34
Medicinal preparations	26
Passenger cars	23
Sewing machines and parts	16
Tools	14
Cotton manufactures	12
Lubricating oil	10

Treasury Department, Division of Monetary Research November 14, 1941

~~STRICTLY CONFIDENTIAL~~

Appendix G

Principal Exports from U.S. to Japan as reported
to the Treasury Department during the week ending
November 8, 1941

(Thousands of dollars)

TOTAL EXPORTS	\$	5
Principal Items:		
General merchandise, n.e.s.		1
Dairy products		1

~~STRICTLY CONFIDENTIAL~~



*file
personal*

*PSF Treas. Folder
2-41*

THE SECRETARY OF THE TREASURY
WASHINGTON

November 25, 1941

My dear Mr. President:

I am enclosing report on our exports
to some selected countries during the week
ending November 15, 1941.

Faithfully,

W. M. C. [Signature]
Secretary of the Treasury

The President,
The White House.

Enclosures

*P.S. Please note exports to Russia
for week ending Nov. 15th 1941.*

Exports to Russia, China, Burma, Japan,
France and other blocked countries,
as reported to the Treasury
Department during the week
ending November 15, 1941

1. Exports to Russia

Exports to Russia as reported to the Treasury during the week ending November 15, 1941 amounted to about \$2,700,000, as compared with \$4,600,000 during the previous week. Landplanes and molybdenite concentrates were the principal items. (See Appendix C).

2. Exports to China and Burma

Exports to Free China totalled \$2,850,000, of which motor trucks and chassis and machine and heavy ordnance guns and carriages were most important. (See Appendix D). Exports to Occupied China amounted to \$158,000. (See Appendix E).

Exports to Burma totalled \$88,000 as against \$342,000 during the previous week. A large percentage of U.S. exports to Burma are probably destined for Free China. (See Appendix F).

3. Exports to Japan

No exports to Japan were reported during the week ending November 15, 1941. Japan, however, might be the ultimate destination of some of the exports to Occupied China.

4. Exports to France

No exports to France were reported during the week ending November 15, 1941.

5. Exports to other blocked countries

Exports to other blocked countries are given in Appendix A.

~~STRICTLY CONFIDENTIAL~~

SUMMARY OF UNITED STATES
DOMESTIC EXPORTS TO SELECTED COUNTRIES
AS REPORTED TO THE TREASURY DEPARTMENT
FROM EXPORT DECLARATIONS RECEIVED
DURING THE PERIOD INDICATED 1/

July 28 to November 15, 1941

(In thousands of dollars)

	July 28 to Nov. 1	Week ended November 8	Week ended November 15	Total Domestic Exports
U. S. S. R.	\$41,251	\$ 4,552	\$ 2,677	\$ 48,480
Occupied China	9,620	164	155	9,939
Free China	16,211	1,672	2,851	20,734
Japan	1,864 <u>2/</u>	5	-	1,870
Burma <u>3/</u>	3,903	342	88	4,333
France <u>4/</u>	6	-	-	6
Occupied France	2	-	-	2
Free France	.4	-	-	.4
Spain	1,659	74	482	2,225
Switzerland	3,555	10	910	5,475
Sweden	6,890	2	2,478	9,370
French Indochina	303	-	2	305

Treasury Department, Division of Monetary Research

November 19, 1941

1/ Many of the export declarations are received with a lag of several days or more. Therefore this compilation does not accurately represent the actual shipment of a particular week. The longer the period covered, the closer will these figures come to Department of Commerce revised figures.

2/ July 28 - August 23, 1941 -- All this material was shipped prior to freezing orders. Domestic exports from August 23 through week ending November 1 amounted to \$893 -- these were principally parcel post shipments.

3/ From September 11, 1941 to date -- It is presumed that a large percentage of material listed here, consigned to Burma, is destined for Free China.

4/ Includes both occupied and Free France through week ending October 4, 1941. Occupied and Free France separated thereafter.

~~STRICTLY CONFIDENTIAL~~

APPENDIX B

Exports from the U.S. to China, Burma, Japan, and U.S.S.R. as reported to the Treasury Department, July 28, 1941- November 15, 1941

(Thousands of Dollars) ^{1/}

	Total	Exports to China		Exports to Burma ^{3/}	Exports to Japan	Exports to U.S.S.R.
		To Japanese controlled ports	To Chinese controlled ports			
July 28 - Aug. 2	937	542	395		1,657	4,523
Aug. 4 - Aug. 9	2,794	2,794	-		159	551
Aug. 11 - Aug. 16	1,278	969	309		42	986
Aug. 18 - Aug. 23	1,352	1,350	2		6	2,735
Aug. 25 - Aug. 30	736	735	1		-	1,023
Sept. 2 - Sept. 6	897	693	204		-	4,280
Sept. 8 - Sept. 13	3,038	2/ 757	2,281		-	5,217
Sept. 15 - Sept. 20	3,978	2/ 156	3,822		-	752
Sept. 22 - Sept. 27	462	352	110	449	-	2,333
Sept. 29 - Oct. 4	1,305	80	1,225	684	-	323
Oct. 6 - Oct. 11	5,864	552	5,312	1,157	-	6,845
Oct. 13 - Oct. 18	272	267	5	35	-	1,924
Oct. 20 - Oct. 25	668	399	269	403	-	5,623
Oct. 27 - Nov. 1	5,210	438	4,772	58	-	4,484
Nov. 3 - Nov. 8	1,836	164	1,672	342	5	4,552
Nov. 10 - Nov. 15	3,009	158	2,851	88	-	2,677
Total	33,636	10,406	23,230	3,216	1,869	48,828

^{1/} These figures are in part taken from copies of shipping manifests.

^{2/} Figures for exports to Free China during these weeks include exports to Rangoon which are presumed to be destined for Free China.

^{3/} It is presumed that a large percentage of exports to Burma are destined for Free China.

Treasury Department, Division of Monetary Research

November 21, 1941

~~STRICTLY CONFIDENTIAL~~

11 11 9 0 2

APPENDIX C

Principal Exports from U.S. to U.S.S.R.
as reported to the Treasury Department
during the week ending November 15, 1941

(Thousands of Dollars)

TOTAL EXPORTS

\$ 2,677

Principal Items:

Landplanes (powered), aircraft parts	699
Molybdenite concentrate	622
Motor trucks and chassis	476
Military tanks	131
Tires and tubes	129
Brass and bronze plates and sheets	125
Aviation gasoline	119
Sole leather	73

Treasury Department, Division of Monetary Research November 21, 1941

~~STRICTLY CONFIDENTIAL~~

APPENDIX D

Principal Exports from U.S. to Free China,
as reported to the Treasury Department
during the week ending November 15, 1941

(Thousands of Dollars)

TOTAL EXPORTS TO FREE CHINA

\$ 2,851

Principal Items:

Motor trucks and chassis	808
Machine and heavy ordnance guns and carriages	331
Cotton blankets	239
Lubricating oil	236
Cotton sheeting	178
Refined copper in bars	176
Iron and steel bars and rods	124
Tires and inner tubes	121
Copper wire	71
Telephone instruments	65

Treasury Department, Division of Monetary Research November 21, 1941

~~STRICTLY CONFIDENTIAL~~

APPENDIX E

Principal Exports from U.S. to Occupied China as
reported to the Treasury Department during
the week ending November 15, 1941

(Thousands of Dollars)

TOTAL EXPORTS TO OCCUPIED CHINA \$ 158

Principal Items:

Fruits and preparations	19
Raw cotton	16
Glucose	16
Fountain pens	12
Glass containers	12
Medicinal preparations	9
Sardines	8
Wrapping paper	8

Treasury Department, Division of Monetary Research November 21, 1941

~~STRICTLY CONFIDENTIAL~~

APPENDIX F

Principal Exports from U.S. to Burma as reported
to the Treasury Department during the week
ending November 15, 1941

(Thousands of Dollars)

TOTAL EXPORTS	\$ 88
Principal Items:	
Printing ink	36
Auto assembly parts	25
Milk	17
Relief supplies-biologics	5

Treasury Department, Division of Monetary Research November 21, 1941

~~STRICTLY CONFIDENTIAL~~



*File
Confidential*

*BF New Folder
7-41*

TREASURY DEPARTMENT

WASHINGTON

December 3, 1941

My dear Mr. President:

I am enclosing report on our exports to some selected countries during the week ending November 22, 1941.

Faithfully,

W. M. Cuthbert
Secretary of the Treasury

The President,
The White House.

Enclosures

November 28, 1941

Exports to Russia, China, Burma, Hong Kong, Japan, France and other blocked countries, as reported to the Treasury Department during week ending November 22, 1941.

1. Exports to Russia

Exports to Russia as reported to the Treasury during the week ending November 22, 1941 amounted to approximately \$3,600,000 for a total of \$52,409,000 since July 28, 1941. Motor trucks and chassis constituted more than one-third of the total exports during the week under review. (See Appendix C.)

2. Exports to China, Burma and Hong Kong

Exports to Free China were valued at about \$1,200,000 of which aircraft parts and motor trucks and chassis were the principal items. (See Appendix D.) Exports to Occupied China were higher than for any single week since October 11, 1941, amounting to over \$470,000. (See Appendix E.)

Exports to Burma totalled over \$1,000,000 and motor trucks and chassis and metallic cartridges accounted for about 85% of the total. A large percentage of these exports are probably destined for Free China. (See Appendix F.)

Exports to Hong Kong amounted to \$600,000. (See Appendix G.)

3. Exports to Japan

Exports to Japan were negligible during the week under review. Japan, however, might be the ultimate destination of some of the exports to Occupied China and Hong Kong (via Occupied China).

4. Exports to France

No exports to France were reported during the week ending November 22, 1941.

5. Exports to other blocked countries

Exports to other blocked countries are given in Appendix A.

~~STRICTLY CONFIDENTIAL~~

SUMMARY OF UNITED STATES
DOMESTIC EXPORTS TO SELECTED COUNTRIES
AS REPORTED TO THE TREASURY DEPARTMENT
FROM EXPORT DECLARATIONS RECEIVED
DURING THE PERIOD INDICATED 1/

July 28 to November 22, 1941

(In thousands of dollars)

	July 28 to Nov. 8	Week ended November 15	Week ended November 22	Total Domestic Exports
U. S. S. R.	\$45,803	\$ 2,677	\$ 3,581	\$ 52,061
Occupied China	9,784	155	464	10,403
Free China	17,883	2,851	1,228	21,962
Japan	1,870 <u>2/</u>	-	<u>2/</u>	1,870
Burma <u>3/</u>	4,245	88	1,021	5,354
France <u>4/</u>	6	-	-	6
Occupied France	2	-	-	2
Free France	.4	-	-	.4
Spain	1,733	482	1	2,226
Switzerland	3,565	910	133	4,608
Sweden	6,892	2,478	132	9,502
French Indochina	303	2	-	305

Treasury Department, Division of Monetary Research

November 26, 1941

- 1/ Many of the export declarations are received with a lag of several days or more. Therefore this compilation does not accurately represent the actual shipment of a particular week. The longer the period covered, the closer will these figures come to Department of Commerce revised figures.
- 2/ Of this total \$1,864 thousand was reported from July 28 to August 23, inclusive, and shipped prior to freezing orders. Domestic exports from August 23 through week ending November 8, amounted to \$5,905.
- 3/ From September 11, 1941 to date -- It is presumed that a large percentage of material listed here, consigned to Burma, is destined for Free China.
- 4/ Includes both occupied and Free France through week ending October 4, 1941. Occupied and Free France separated thereafter.
- 5/ Less than \$500.

~~STRICTLY CONFIDENTIAL~~

APPENDIX B

Exports from the U.S. to China, Burma, Hong Kong, Japan, and U.S.S.R. as reported to the Treasury Department, July 28, 1941 - November 22, 1941

(Thousands of Dollars) 1/

	Total	Exports to China		Exports to Burma 3/	Exports to Hong Kong	Exports to Japan	Exports to U.S.S.R.
		To Japanese controlled ports	To Chinese controlled ports				
July 28 - Aug. 2	937	542	395		654	1,657	4,523
Aug. 4 - Aug. 9	2,794	2,794	-		983	159	551
Aug. 11 - Aug. 16	1,278	969	309		235	42	986
Aug. 18 - Aug. 23	1,352	1,350	2		234	6	2,735
Aug. 25 - Aug. 30	736	735	1		742	-	1,023
Sept. 2 - Sept. 6	897	693	204		634	-	4,280
Sept. 8 - Sept. 13	3,038	2/ 757	2,281	2/	456	-	5,217
Sept. 15 - Sept. 20	3,978	2/ 156	3,822	2/	389	-	752
Sept. 22 - Sept. 27	462	352	110	449	810	-	2,333
Sept. 29 - Oct. 4	1,305	80	1,225	684	297	-	323
Oct. 6 - Oct. 11	5,864	552	5,312	1,157	1,233	-	6,845
Oct. 13 - Oct. 18	272	267	5	35	584	-	1,924
Oct. 20 - Oct. 25	668	399	269	403	1,243	-	5,623
Oct. 27 - Nov. 1	5,210	438	4,772	58	624	-	4,484
Nov. 3 - Nov. 8	1,836	164	1,672	342	283	5	4,552
Nov. 10 - Nov. 15	3,009	158	2,851	88	303	-	2,677
Nov. 17 - Nov. 22	1,701	473	1,228	1,021	600	-	3,581
Total	35,337	10,879	24,458	4,237	10,304	1,869	52,409

1/ These figures are in part taken from copies of shipping manifests.

2/ Figures for exports to Free China during these weeks include exports to Rangoon which are presumed to be destined for Free China.

3/ It is presumed that a large percentage of exports to Burma are destined for Free China.

Treasury Department, Division of Monetary Research

December 2, 1941

~~STRICTLY CONFIDENTIAL~~

APPENDIX C

Principal Exports from U.S. to U.S.S.R.
as reported to the Treasury Department
during the week ending November 22, 1941

(Thousands of Dollars)

TOTAL EXPORTS

\$ 3,581

Principal Items:

Motor trucks and chassis	1,382
Military tanks and parts	432
Landplanes, powered	299
Refined copper	274
Gasoline	154
Brass and bronze plates and sheets	171
Non-rotating welding sets	121
Lathes	109
Auto replacement parts	108
Men's boots and shoes	72

~~STRICTLY CONFIDENTIAL~~

APPENDIX D

Principal Exports from U.S. to Free China,
as reported to the Treasury Department
during the week ending November 22, 1941

(Thousands of Dollars)

TOTAL EXPORTS TO FREE CHINA \$ 1,228

Principal Items:

Aircraft parts, n.e.s.	576
Motor trucks and chassis	145
Diesel engines	98
Steel bars	59
Road machinery and parts	53
Insulated copper wire	40
Tin plate and taggers tin	40
Tires and tubes	27
Aircraft engines	25
Well and refining machinery	22

~~STRICTLY CONFIDENTIAL~~

APPENDIX E

Principal Exports from U.S. to Occupied
China as reported to the Treasury
Department during the week ending
November 22, 1941

TOTAL EXPORTS TO OCCUPIED CHINA

\$ 473

Principal Items:

Wheat flour	44
Hops	35
Medicinal preparations	28
Printing paper	28
Leather	26
Milk	26
Other paper and paper products	25
Auto replacement parts	23

~~STRICTLY CONFIDENTIAL~~

APPENDIX F

Principal Exports from U.S. to Burma as
reported to the Treasury Department during
week ending November 22, 1941

(Thousands of Dollars)

TOTAL EXPORTS \$ 1,021

Principal Items:

Motor trucks and chassis	655
Metallic cartridges	202
Steel sheets	38
Lubricating oils	28
Well and refining machinery	14
Tin plate and taggers tin	14
Metallic containers	11
Tires and tubes	10

~~STRICTLY CONFIDENTIAL~~

Treasury Department, Division of Monetary Research December 2, 1941

APPENDIX G

Principal Exports from U.S. to Hong Kong
as reported to the Treasury Department
during the week ending November 22, 1941

(Thousands of Dollars)

TOTAL EXPORTS \$ 600

Principal Items:

Artificial leather, braces, garters, belts and suspenders	212
Tires and inner tubes	38
Medicinal and pharmaceutical preparations	32
Motor trucks	22
Printing paper	19
Miscellaneous office supplies	18
Ginseng	17
Copper manufactures	13
Chemical specialties	13
Automobile parts for replacement	11
Commodities exported for relief or charity	11
Milk and cream	11
Fruits and preparations	10

~~STRICTLY CONFIDENTIAL~~



*file
personal*

PSP *Juan Folkes*

THE SECRETARY OF THE TREASURY
WASHINGTON

December 8, 1941

My dear Mr. President:

After Cabinet last night, I made an inspection of the White House grounds accompanied by Edward Starling, and found that my orders had not been carried out. As a result of this inspection, I strongly recommend that Edward Starling have all responsibility for supervising the White House Secret Service detail and guards taken away from him, and similar responsibility as far as Hyde Park and Warm Springs are concerned. Chief Wilson concurs in this recommendation.

In view of my previous conversation with you, if you still wish Edward Starling to do the so-called "advance work" for you, of course, we will carry out your wishes in this matter.

I sincerely hope that you will accept my recommendation in regard to Edward Starling.

Yours sincerely,

Henry M. Truman Jr.

The President,

The White House.



TREASURY DEPARTMENT

WASHINGTON

December 10, 1941

file

PSF Treasury Folder 2-41

My dear Mr. President:

I am enclosing report on our exports to some selected countries during the week ending November 29, 1941.

Faithfully,

H. M. Mitchell Jr.
Secretary of the Treasury

The President,
The White House.

Enclosure

December 5, 1941

Exports to Russia, China, Burma, Hong Kong, Japan, France and other blocked countries, as reported to the Treasury Department during the week ending November 29, 1941.

1. Exports to Russia

Exports to Russia as reported to the Treasury during the week ending November 29, 1941 amounted to about \$2,400,000 as compared with \$3,581,000 during the previous week. Motor trucks and chassis and military tanks were the principal items. (See Appendix C.)

2. Exports to China, Burma and Hong Kong

Exports to Free China were valued at approximately \$3,240,000, of which motor trucks, busses and chassis and printed matter were of the most importance. (See Appendix D.) Exports to Occupied China amounted to \$120,000. (See Appendix E.)

Exports to Burma totalled over \$1,300,000 and, as in the case of exports to Free China, the principal item was motor trucks. A large percentage of these exports may be destined for Free China. (See Appendix F.)

Exports to Hong Kong amounted to about \$1,300,000. (See Appendix G.)

3. Exports to Japan

No exports to Japan were reported during the week under review. Japan, however, might be the ultimate destination of some of the exports to Occupied China and Hong Kong (via Occupied China).

4. Exports to France

No exports to France were reported during the week ending November 29, 1941.

5. Exports to other blocked countries

Exports to other blocked countries are given in Appendix A.

~~STRICTLY CONFIDENTIAL~~

SUMMARY OF UNITED STATES
DOMESTIC EXPORTS TO SELECTED COUNTRIES
AS REPORTED TO THE TREASURY DEPARTMENT
FROM EXPORT DECLARATIONS RECEIVED
DURING THE PERIOD INDICATED ^{1/}

July 28 to November 29, 1941.

(In thousands of dollars)

	July 28 to <u>Nov. 15</u>	Week ended <u>November 22</u>	Week ended <u>November 29</u>	Total <u>Domestic Exports</u>
U. S. S. R.	\$48,480	\$ 3,581	\$ 2,436	\$54,497
Occupied China	9,939	464	120	10,523
Free China	20,734	1,228	3,239	25,201
Japan	1,870 ^{2/}	^{5/}	-	1,870
Burma ^{3/}	4,333	1,021	1,362	6,716
France ^{4/}	6	-	-	6
Occupied France	2	-	-	2
Free France	.4	-	-	.4
Spain	2,215	1	^{5/}	2,216
Switzerland	4,475	133	11	4,619
Sweden	9,370	132	690	10,192
French Indochina	305	-	48	353

Treasury Department, Division of Monetary Research

December 3, 1941

- ^{1/} Many of the export declarations are received with a lag of several days or more. Therefore this compilation does not accurately represent the actual shipment of a particular week. The longer the period covered, the closer will these figures come to Department of Commerce revised figures.
- ^{2/} Of this total \$1,864 thousand was reported from July 28 to August 23, inclusive, and shipped prior to freezing orders. Domestic exports from August 23 through week ending November 15, amounted to \$5,905.
- ^{3/} From September 11, 1941 to date — It is presumed that a large percentage of material listed here, consigned to Burma, is destined for Free China.
- ^{4/} Includes both occupied and Free France through week ending October 4, 1941. Occupied and Free France separated thereafter.
- ^{5/} Less than \$500.

~~STRICTLY CONFIDENTIAL~~

APPENDIX B

Exports from the U.S. to China, Burma, Hong Kong, Japan, and U.S.S.R.
as reported to the Treasury Department, July 28, 1941 - November 29, 1941

(Thousands of Dollars) 1/

	Total	Exports to China		Exports to Burma <u>3/</u>	Exports to Hong Kong	Exports to Japan	Exports to U.S.S.R.
		To Japanese controlled ports	To Chinese Controlled ports				
July 28 - Aug. 2	937	542	395		654	1,657	4,523
Aug. 4 - Aug. 9	2,794	2,794	-		983	159	551
Aug. 11 - Aug. 16	1,278	969	309		235	42	986
Aug. 18 - Aug. 23	1,352	1,352	2		234	6	2,735
Aug. 25 - Aug. 30	736	735	1		742	-	1,023
Sept. 2 - Sept. 6	897	693	204		634	-	4,280
Sept. 8 - Sept. 13	3,038 <u>2/</u>	757	2,281 <u>2/</u>		456	-	5,217
Sept. 15 - Sept. 20	3,978 <u>2/</u>	156	3,822 <u>2/</u>		389	-	752
Sept. 22 - Sept. 27	462	352	110	449	810	-	2,333
Sept. 29 - Oct. 4	1,305	80	1,225	684	297	-	323
Oct. 6 - Oct. 11	5,864	552	5,312	1,157	1,233	-	6,845
Oct. 13 - Oct. 18	272	267	5	35	584	-	1,924
Oct. 20 - Oct. 25	668	399	269	403	1,243	-	5,623
Oct. 27 - Nov. 1	5,210	438	4,772	58	624	-	4,484
Nov. 3 - Nov. 8	1,836	164	1,672	342	283	5	4,552
Nov. 10 - Nov. 15	3,009	158	2,851	88	303	-	2,677
Nov. 17 - Nov. 22	1,701	473	1,228	1,021	600	-	3,581
Nov. 24 - Nov. 29	<u>3,359</u>	<u>120</u>	<u>3,239</u>	<u>1,364</u>	<u>1,325</u>	-	<u>2,436</u>
Total	38,696	10,999	27,697	5,601	11,629	1,869	54,845

1/ These figures are in part taken from copies of shipping manifests.

2/ Figures for exports to Free China during these weeks include exports to Rangoon which are presumed to be destined for Free China.

3/ It is presumed that a large percentage of exports to Burma are destined for Free China.

APPENDIX C

Principal Exports from U.S. to U.S.S.R.
as reported to the Treasury Department
during the week ending November 29, 1941

(Thousands of Dollars)

TOTAL EXPORTS \$ 2,436

Principal Items:

Motor trucks and chassis	667
Military tanks	638
Aviation gasoline	435
Auto replacement parts	199
Refined copper	195
Zinc slabs	100
Brass and bronze plates and sheets	70

Treasury Department, Division of Monetary Research December 9, 1941

~~STRICTLY CONFIDENTIAL~~

APPENDIX D

Principal Exports from U.S. to Free China,
as reported to the Treasury Department
during the week ending November 29, 1941

(Thousands of Dollars)

TOTAL EXPORTS TO FREE CHINA \$ 3,239

Principal Items:

Motor trucks, busses and chassis	912
Printed matter (Bank notes)	411
Auto assembly parts	237
Iron and steel bars and rods	100
Lubricating oil	86
Auto replacement parts	85
Cotton piece goods	77
Brass and bronze bars and rods	75
Machine and heavy ordnance guns and carriages	69
Printing and lithographic ink	60
Copper wire, bare	59
Tires and inner tubes	59
Copper wire, insulated	55

APPENDIX E

Principal Exports from U.S. to Occupied
China as reported to the Treasury Department
during the week ending November 29, 1941

(Thousands of Dollars)

TOTAL EXPORTS TO OCCUPIED CHINA \$ 120

Principal Items:

Leaf tobacco	31
Surface-coated paper	23
Fountain pens	12
Other paper and paper products	12
Medicinal preparations	8
Air-conditioning equipment and parts, n.e.s.	8
Kraft wrapping paper	7

Treasury Department, Division of Monetary Research December 9, 1941

~~STRICTLY CONFIDENTIAL~~

APPENDIX F

Principal Exports from U.S. to Burma
as reported to the Treasury Department
during the week ending November 29, 1941

(Thousands of Dollars)

TOTAL EXPORTS \$ 1,364

Principal Items:

Motor trucks	762
Other copper manufactures	101
Passenger cars	53
Milk and cream	47
Auto parts for replacement	47
Relief supplies - other	43
Lubricating oil	42
Nails and bolts	42

Treasury Department, Division of Monetary Research December 9, 1941

~~STRICTLY CONFIDENTIAL~~

APPENDIX G

Principal Exports from U.S. to Hong Kong
as reported to the Treasury Department
during the week ending November 29, 1941

(Thousands of Dollars)

TOTAL EXPORTS

\$ 1,325

Principal Items:

Tobacco leaf	232
Other paper and paper products	92
Motor trucks	89
Ginseng	84
Books and other printed matter	50
Coal-tar products	47
Other crude vegetable drugs	41
Automobile parts for replacement	37
Sodium compounds	27
Printing paper	27
Wrapping paper	26

Treasury Department, Division of Monetary Research December 9, 1941

~~STRICTLY CONFIDENTIAL~~

PSF Treasury Folder



THE SECRETARY OF THE TREASURY
WASHINGTON

December 10, 1941

*file
Bureau*

My dear Mr. President:

I am sure that you will be as pleased as I am to learn that Mr. Randolph Paul has decided, at great personal sacrifice to himself, to resign from his law firm as of January 1st, and come down and work for the Treasury as tax advisor.

We have worked out an arrangement between John Sullivan and Randolph Paul that Sullivan will act in the capacity of barrister and present the tax bill to the Congress and Paul will act in the capacity of solicitor and the tax bill will be prepared under his supervision in the Treasury. Both Sullivan and Paul are completely satisfied with this arrangement and will act as partners.

Mr. Paul is bringing into the Treasury a number of tax experts, which will strengthen our staff considerably.

Yours sincerely,

W. M. E. C. P.

The President,

The White House.

PSF; Treasury *Trans. Folder*

THE WHITE HOUSE
WASHINGTON

December 11, 1941.

MEMORANDUM FOR

SECRETARY MORGENTHAU:

FOR YOUR INFORMATION.

F.D.R.

DEPARTMENT OF STATE

THE SECRETARY

December 9, 1941

MEMORANDUM FOR THE PRESIDENT

In returning the enclosed letter for your files I attach a subsequent telegram from Casablanca, dated December 6, 1941, stating that the previous contact apparently exaggerated.

A careful recheck shows 63 tons gold having a present value of 25,000,000,000 francs. Eighty millions of these are understood to have been utilized for payment of Portuguese textiles. It is thought that the balance is going to France by plane in small installments.

CH

KD
This telegram must be
closely paraphrased be-
fore being communicated
to anyone. (SC)

Casablanca

Dated December 6, 1941

Rec'd. 4:25 p. m.

Secretary of State,
Washington.

677, December 6, 2 p. m.

My 643, November 24, 5 p. m.

Canfield's contact apparently exaggerated.

Close rechecking shows 63 tons gold of present value
of 25 milliards (25 billions) of Francs. It is
understood that 80 millions have been used to pay
for textile from Portugal. It is believed that
balance is being sent to France in small install-
ments by plane.

RUSSELL

KLP

1
1
DIVISION OF POLITICAL RELATIONS
file
NOV 6 1941
THE WHITE HOUSE
WASHINGTON
DEPT OF STATE

PAID

File

December 5, 1941. *NE*

MEMORANDUM FOR *ack letter returned* *S*

THE SECRETARY OF STATE

12-5-41

SH-mb

FOR YOUR INFORMATION AND
RETURN FOR MY FILES.

DIVISION OF
EUROPEAN AFFAIRS
DEC 8 1941
DEPARTMENT OF STATE
F. D. R.
file

*Thanks -
CH*



THE SECRETARY OF THE TREASURY
WASHINGTON

December 4, 1941

My dear Mr. President:

The American Consulate at Casablanca, Morocco, advised us that on November 21st the French cruiser Primauguet, of 8,000 tons, arrived at Casablanca with approximately \$250,000,000 worth of gold on board and that this gold was deposited in the Moroccan State Bank in Casablanca.

I have inquired of Mr. Stopford, of the British Embassy, "how come"? His preliminary answer was that sometimes they let these French naval vessels proceed without interference; other times, they don't.

I certainly question that \$250,000,000 of gold being deposited at Casablanca is for any good purpose and I thought that you would like to know about this particular transaction.

Yours sincerely,

A handwritten signature in cursive script, appearing to read "Henry".

The President,
The White House.

THE WHITE HOUSE
WASHINGTON

December 5, 1941.

MEMORANDUM FOR
THE SECRETARY OF STATE
FOR YOUR INFORMATION AND
RETURN FOR MY FILES.

F. D. R.

Letter to the President from
Secretary Morgenthau, dated Dec.
4, 1941, re French cruiser
"Primauguet" arriving at Casablanca
with approximately \$250,000,000
worth of gold on board which was
deposited in the Moroccan State
Bank in Casablanca.

*file
passed*

TREASURY DEPARTMENT
U. S. Secret Service

PSF: Treasury Ins. Folder

MEMORANDUM

From: Assistant Supervising Agent,
Thomas J. Qualters

Date: Dec. 15, 1941

To: Miss Tully

Re:

Please advise the President that the detail at Pook's Hill, Maryland, has been doubled. We are using Treasury Guards as suggested.

TJQ/hl



*file
Personal*

PSF *Treas. Folder*
2-41

TREASURY DEPARTMENT
WASHINGTON

December 16, 1941

My dear Mr. President:

I am enclosing report on our exports
to some selected countries during the week
ending December 6, 1941.

Faithfully,

W. M. C. C.
Secretary of the Treasury

The President,
The White House.

Enclosure

December 13, 1941

Exports to Russia, China, Burma, Hong Kong, Japan, France and other blocked countries, as reported to the Treasury Department during the week ending December 6, 1941.

1. Exports to Russia

Exports to Russia as reported to the Treasury during the week ending December 6, 1941 amounted to \$3,609,000 as compared with \$2,436,000 during the previous week. The principal item was landplanes which accounted for about fifty percent of the total. (See Appendix C.)

2. Exports to China, Burma and Hong Kong

Exports to Free China were valued at \$791,000, the lowest figure for any single week since October 25. (See Appendix D.) Exports to Occupied China amounted to \$61,000. (See Appendix E.)

Exports to Burma totalled only \$64,000 as compared with \$1,364,000 during the previous week. A large percentage of these exports may be destined for Free China. (See Appendix F.)

No exports to Hong Kong were reported during the week under review.

3. Exports to Japan

Exports to Japan were negligible, amounting to less than \$500.

4. Exports to France

No exports to France were reported during the week ending December 6, 1941.

5. Exports to other blocked countries

Exports to other blocked countries are given in Appendix A.

SUMMARY OF UNITED STATES
DOMESTIC EXPORTS TO SELECTED COUNTRIES
AS REPORTED TO THE TREASURY DEPARTMENT
FROM EXPORT DECLARATIONS RECEIVED
DURING THE PERIOD INDICATED 1/

July 28 to December 6, 1941

(In thousands of dollars)

	July 28 to <u>Nov. 22</u>	Week ended <u>November 29</u>	Week ended <u>December 6</u>	Total <u>Domestic Exports</u>
U. S. S. R.	\$52,061	\$ 2,436	\$ 3,609	\$58,106
Occupied China	10,403	120	61	10,584
Free China	21,962	3,239	791	25,992
Japan	1,870 <u>2/</u>	-	<u>5/</u>	1,870
Burma <u>3/</u>	5,354	1,362	64	6,780
France <u>4/</u>	6	-	-	6
Occupied France	2	-	-	2
Free France	.4	-	-	.4
Spain	2,216	<u>5/</u>	-	2,216
Switzerland	4,608	11	237	4,856
Sweden	9,502	690	188	10,380
French Indochina	305	48	24	377

Treasury Department, Division of Monetary Research

December 10, 1941

1/ Many of the export declarations are received with a lag of several days or more. Therefore this compilation does not accurately represent the actual shipment of a particular week. The longer the period covered, the closer will these figures come to Department of Commerce revised figures.

2/ Of this total \$1,864 thousand was reported from July 28 to August 23, inclusive, and shipped prior to freezing orders. Domestic exports from August 23 through week ending November 22, amounted to \$6,053.

3/ From September 11, 1941 to date - It is presumed that a large percentage of material listed here, consigned to Burma, is destined for Free China.

4/ Includes both occupied and Free France through week ending October 4, 1941. Occupied and Free France separated thereafter.

5/ Less than \$500.

APPENDIX B

Exports from the U.S. to China, Burma, Hong Kong, Japan, and U.S.S.R.
as reported to the Treasury Department, July 28, 1941 - November 29, 1941

(Thousands of Dollars) 1/

	Total	Exports to China		Exports to Burma <u>3/</u>	Exports to Hong Kong	Exports to Japan	Exports to U.S.S.R.
		To Japanese controlled ports	To Chinese controlled ports				
July 28 - Aug. 2	937	542	395		654	1,657	4,523
Aug. 4 - Aug. 9	2,794	2,794	-		983	159	551
Aug. 11 - Aug. 16	1,278	969	309		235	42	986
Aug. 18 - Aug. 23	1,352	1,352	2		234	6	2,735
Aug. 25 - Aug. 30	736	735	1		742	-	1,023
Sept. 2 - Sept. 6	897	693	204		634	-	4,280
Sept. 8 - Sept. 13	3,038 <u>2/</u>	757	2,281 <u>2/</u>		456	-	5,217
Sept. 15 - Sept. 20	3,978 <u>2/</u>	156	3,822 <u>2/</u>		389	-	752
Sept. 22 - Sept. 27	462	352	110	449	810	-	2,333
Sept. 29 - Oct. 4	1,305	80	1,225	684	297	-	323
Oct. 6 - Oct. 11	5,864	552	5,312	1,157	1,233	-	6,845
Oct. 13 - Oct. 18	272	267	5	35	584	-	1,924
Oct. 20 - Oct. 25	668	399	269	403	1,243	-	5,623
Oct. 27 - Nov. 1	5,210	438	4,772	58	624	-	4,484
Nov. 3 - Nov. 8	1,836	164	1,672	342	283	5	4,552
Nov. 10 - Nov. 15	3,009	158	2,851	88	303	-	2,677
Nov. 17 - Nov. 22	1,701	473	1,228	1,021	600	-	3,581
Nov. 24 - Nov. 29	3,359	120	3,239	1,364	1,325	-	2,436
Dec. 1 - Dec. 6	852	61	791	64	-	-	3,609
Total	39,548	11,060	28,488	5,665	11,629	1,869	58,454

1/ These figures are in part taken from copies of shipping manifests.

2/ Figures for exports to Free China during these weeks include exports to Rangoon which are presumed to be destined for Free China.

3/ It is presumed that a large percentage of exports to Burma are destined for Free China.

APPENDIX C

Principal Exports from U.S. to U.S.S.R.
as reported to the Treasury Department
during the week ending December 6, 1941

(Thousands of Dollars)

TOTAL EXPORTS \$ 3,609

Principal Items:

Landplanes, powered	1,812
Military tanks	612
Motor trucks and chassis	466
Searchlights and airport beacons	324
Refined copper	117
Electric motors and bases	78
Tires and tubes	44
Cotton duck	40
Auto replacement parts	28
Telephone instruments	24
Gun parts	19

APPENDIX D

Principal Exports from U.S. to Free China,
as reported to the Treasury Department
during the week ending December 6, 1941

(Thousands of Dollars)

TOTAL EXPORTS TO FREE CHINA \$ 791

Principal Items:

Landplanes and parts	300
Motor trucks and chassis	203
Zinc castings	104
Petroleum asphalt	51
Metallic cartridges	40
Brass and bronze bars and rods	36
Steel bars	25

APPENDIX E

Principal Exports from U.S. to Occupied
China as reported to the Treasury Department
during the week ending December 6, 1941

(Thousands of Dollars)

TOTAL EXPORTS TO OCCUPIED CHINA \$ 61

Principal Items:

Leaf tobacco	34
Medicinal preparations	17
Silk hosiery	2
Fountain pens	1

APPENDIX F

Principal Exports from U.S. to Burma
as reported to the Treasury Department
during the week ending December 6, 1941

(Thousands of Dollars)

TOTAL EXPORTS \$ 64

Principal Items:

Steel sheets	21
Motor trucks and chassis	14
Well and refining machinery	10
Relief supplies - hospital	7
Wall board	6
Box shooks	3
Auto replacement parts	2



THE SECRETARY OF THE TREASURY
WASHINGTON

December 18, 1941

PSF. Treasury
file Personal Folder

Memorandum for the President

It has been my policy not to trouble you with the problems that arise in the Foreign Funds Control but to resolve such problems within the Department and through the Interdepartmental Policy Committee with the other governmental agencies concerned. Consequently, you may not be familiar with the administration and policies of the Control and its effectiveness in its wide field of operation.

Since I felt that you might like to have at this time a brief outline as to what is being done in this important area of economic warfare, I am transmitting herewith a memorandum with respect to the Foreign Funds Control.

Wm. V. Rothwell

MEMORANDUM FOR THE PRESIDENT

THE ADMINISTRATION OF FOREIGN FUNDS CONTROL:
APRIL 1940 TO DECEMBER 1941.

1. Inception and rapid extension of the Control.

The Foreign Funds Control program was initiated in April 1940 by freezing the assets in this country of Denmark and Norway when Germany invaded these two neutral countries. As other countries were invaded or dominated by the Axis, the Control was successively extended during the summer and fall of 1940 to the assets of the Netherlands, Belgium, France, and the Baltic and Balkan states. In June 1941, the Control was extended to Germany and Italy and to the rest of continental Europe. Shortly thereafter Japan and China were also frozen. At present the Control covers over \$7,000,000,000 of assets and the transactions of 33 countries, including all of continental Europe (except Turkey), and China and Japan, and their nationals. The frozen assets in this country consist not only of bank deposits, gold and securities, but also a great number of business enterprises as well as merchandise, patents and other forms of property. The Control affects all financial, commercial and trade transactions in which the 33 countries or their nationals have an interest, whether such transactions are purely domestic transactions or transactions in foreign exchange or foreign trade.

2. Purposes and shift in emphasis.

The original purposes of the Foreign Funds Control were primarily to prevent the assets of the invaded countries from falling into the hands of the invaders, and to protect American institutions from possible adverse claims arising out of the invasion. As the international crisis deepened there was a distinct shift in the emphasis of the Control from a role of benevolent protection to one of active economic warfare.

The inability of the Axis to use the dollar assets of the countries covered by the Control and to acquire other dollar assets has greatly impaired the ability of the Axis powers to finance propaganda, sabotage and other subversive activities in the United States and other areas of strategic importance to this country. The Control has prevented the Axis countries and their satellites from using the American dollar, and American banking and financial facilities for commercial and other activities in the United States and other parts of the world. Through the Control, we are taking appropriate steps to nullify or eliminate vicious and undesirable influences in business enterprises in this country owned and dominated by the Axis. The Control safeguards the interests of American creditors of blocked countries by preventing those concerns which are able to negotiate special deals with the Axis from receiving preferential payments at the expense of other American creditors.

The Control has not been confined to the regulation of banking and financial transactions. It also is an instrument for controlling all exports and imports between the United States and a large portion of the world. For example, the Control was instrumental in effecting a complete stoppage of all trade, import as well as export, with Japan.

3. Operation of the Control.

The effective conduct of modern economic warfare requires a highly flexible organization, and a trained, competent, and imaginative staff capable of rapid adjustment to constantly changing problems. During the course of the past twenty months the Treasury Department has built up such an organization which is now effectively operating on a nationwide scale. The Control is centered in and directed from Washington, yet it has succeeded in delegating to its field offices, the twelve Federal Reserve Banks, major segments of the task. Since economic warfare is essentially the effective application of financial controls which can be applied only through the banking system, the Treasury selected the Federal Reserve Banks to act as its field offices in administering the Control. Through the Federal Reserve Banks the Treasury is able over night to reach the banks of the country and to put into effect new regulations as rapidly changing conditions demand. There has been established at each of the Federal Reserve Banks a competent staff familiar with the intricate problems faced by the Control,

experienced in the handling of complex financial operations, and in constant communication with the financial institutions of its district. In the Federal Reserve Bank of New York this staff consists of approximately 500 persons, whereas in several of the other Federal Reserve Banks a relatively small group of persons has been able to handle the daily operations of the Control.

In addition to the field offices maintained in the Federal Reserve Banks, Foreign Funds Control maintains personnel in Hawaii and in the Philippine Islands, aiding in the administration of the freezing control in these areas. Foreign Funds Control has also representatives in Latin America dealing with Proclaimed List problems.

The Control, in dealing with its many increasing problems, has when occasion demanded been able to call upon the personnel and facilities of other agencies of the Treasury Department, including Customs, National Bank Examiners, Coast Guard, Secret Service and Internal Revenue.

4. Organization of the Control.

Foreign Funds Control is organized along the following lines:

(a) Interdepartmental Committee.

The basic policies followed in the operation of the Control have been formulated by an Interdepartmental Committee, consisting of E. H. Foley, Jr., representing the Treasury Department, as chairman; Dean Acheson, representing the State

Department; and Francis Shea, representing the Department of Justice. This committee meets periodically to consider the basic problems confronting the Control and the more important applications for licenses.

(b) Administrative section.

Mr. John W. Pehle, Assistant to the Secretary of the Treasury, is charged with directing the administration in the Foreign Funds Control. Approximately 650 persons are employed in the office of the Control in Washington on work of an administrative character. The administrative staff is divided into major sections, each of which specializes in handling problems relating to different types of transactions, such as Securities, Business Enterprises, Foreign Trade and the Proclaimed List, Trusts and Estates, Foreign Banks, and Remittances.

(c) Legal section.

Forty lawyers in a special section of the General Counsel's Office handle the legal aspects of Foreign Funds work, draft documents, analyze the legal implications in applications, and actively participate in the policy determination.

(d) Economic section.

The Division of Monetary Research maintains a special section of trained economists, who make studies of the many and complex economic problems confronting the Control for use in making policy decisions.

(e) Investigative section.

An investigative staff with several field offices is headed by Mr. Erwin May, former Treasury attache in Berlin. This section employs a large staff of competent investigators familiar with financial problems, who investigate attempted violations and evasions of the freezing control.

5. Integration with the work of other governmental agencies.

The primary medium through which the basic problems of the Control have been brought to the attention of the Departments of State and Justice has been the Interdepartmental Committee. The State Department has been more concerned with and has participated more actively in the solution of the problems confronting the Treasury Department in its administration of the Control. Through cooperation between the State and Treasury Departments, the Control has been used in an effective way to implement this Government's foreign policy, as in the case of Japan.

Other examples of the effective liaison established between the Foreign Funds Control and other government agencies are:

(a) Strategic material problems have been resolved in consultation with the appropriate defense agencies. The Control has been able to uncover and direct into defense uses millions of dollars worth of highly strategic materials, machine tools, and other materials.

(b) Cases involving the fueling, chartering, or sale of ships are cleared with Merchant Ship Control, the Maritime Commission, and the State and Navy Departments.

(c) Proclaimed List problems are handled by a subcommittee consisting of representatives of the Treasury, the State Department, and the Economic Defense Board.

(d) Securities problems have been worked out with the SEC.

(e) Valuable information obtained through censorship has been received by the Control for some time from the British and Dominion Governments. Confidential information is exchanged with the FBI, the Office of Naval Intelligence, the Army Intelligence, and other governmental intelligence offices.

6. Major Areas of Operation.

The far-reaching character of the Control can best be seen by considering some of the major types of transactions which can be effected only under freezing control licenses. The Control, in addition to licensing foreign exchange transactions and a wide variety of other payments and remittances, has exercised control in such significant areas of economic activity as:

(a) Business Enterprises.

Approximately 2,500 business enterprises in the United States have been operating under licenses issued by the Control. These enterprises engage in all forms of business activity,

from long-established Axis-owned chemical manufacturing plants to the newly established American diamond industry. We have closed down a number of Axis firms whose activities have been dangerous to the national interests and whose operation was not important to the national or local economy. Treasury representatives have been placed in over 50 business enterprises which had strong Axis connections and whose continued operation was considered essential.

All firms operating under license have been required to file with the Control affidavits providing detailed information as to organization, officers and directors, capital structure, relationships with other companies, the nature of its operations and principal customers. These firms are also required to file periodic reports which provide significant information with respect to their operations. As a result of the operations of the Control in this field, the Treasury now has in its files organized information with respect to the structure, activities, and background of the numerous Axis-owned or dominated concerns, as well as concerns controlled by nationals of other blocked countries.

(b) Foreign banks and insurance companies.

As each new country was frozen, many foreign banking agencies and insurance companies were brought under the Control. Such enterprises were permitted to operate under the careful

supervision of Treasury representatives placed in such institutions who inspected all transactions to assure that the restrictions of the Control were being strictly observed. The Treasury has obtained the full cooperation of state banking and insurance departments in administering this phase of the Control.

(c) Securities.

Security accounts of nationals were blocked, and purchases and sales of securities for such accounts could be effected only under license. Debt service and sinking fund operations of blocked countries have been controlled through a licensing system. In order to prevent the disposal of looted securities in this market by the Axis countries, the Foreign Funds Control early in 1940 prohibited the importation into the United States of securities from any foreign country except under license. Imported securities are held by the Federal Reserve Banks until satisfactory evidence as to origin and ownership is forthcoming.

(d) Foreign Trade.

The Control is one of the most important measures adopted by this Government affecting the United States import and export trade with foreign countries. Not only is trade with all blocked countries subject to the Control, but trade with much of the rest of the world is affected by it. For example, the

blacklisting of Axis and Axis-dominated firms in Latin America by the Proclaimed List is designed to promote healthy hemispheric trade and to eliminate the undesirable activities and influence of these Axis firms in Latin America.

(e) Proclaimed List.

When the Proclaimed List was issued, the Control assumed a major part of the administrative work involved. Representatives of the State and Treasury Departments have recently visited the Caribbean countries where Proclaimed List problems, particularly those relating to coffee, required immediate action. Also, at the present time, a group of Treasury and State Department personnel is touring South America, consulting with and advising diplomatic missions on Proclaimed List problems.

(f) Census of Foreign Property.

To further the purposes of the freezing control and to assure more effective administration, the Treasury has recently taken a complete and comprehensive census of all foreign-owned property in the United States, irrespective of whether the owner of such property has been blocked under the freezing control. This census makes available for the first time precise data as to the identity of the foreign interests, and the nature and location of the property.

The wealth of information thus obtained will be of inestimable value to numerous governmental departments and agencies, not only in dealing with problems of the immediate present but also in formulating long-range programs for the future.

7. Technique of large-scale operation.

In view of the wide areas of economic activity which are subject to the Control, it has been necessary rapidly to develop methods of operation which would allow transactions not contrary to our national interest to be effected with a minimum of interference. This has been accomplished largely through the use of general licenses. These general licenses permit well-defined types of transactions to be effected without individual licenses, provided they are consummated strictly in the manner and within the limits stipulated in such licenses. When needed, these general licenses require reports which are used to police the activities conducted under the licenses, to insure compliance with the terms thereof, and as a basis for restricting or broadening the scope of the license. Under the 75 general licenses which have been issued, millions of transactions have been effected without the necessity of individual applications being filed and individual licenses issued. The reviewing staff of the Control has thus been able to concentrate upon the more difficult types of transactions for which specific licenses

are required, and has been able expeditiously to act upon over 350,000 specific applications. More than 80 percent of these applications are now being handled directly by the Federal Reserve Banks in the field.

8. Special comment on Axis and Axis-controlled business enterprises.

In the twenty year period between 1919 and 1939, German interests have succeeded in organizing within the United States another industrial and commercial network centered in the chemical field, but extending also to the electrical and heavy goods industries, foreign commerce, and financing. It is unnecessary to point out that these business enterprises constitute a base of operations to carry out Axis plans to control production, to hold markets in this hemisphere, to support fifth-column movements, and to weld our post-war economy to Axis plans.

One of the primary reasons for freezing Axis assets was to combat this situation. The problem with which we are now faced, is more difficult although somewhat similar to the problem faced by us in 1917. The background today is vastly different from that which existed in 1917.

For almost fifteen years the Axis business interests have been taking comprehensive steps to insulate themselves against an alien property custodianship with its seizure of legal title.

As a result of their efforts only a negligible portion of Axis-influenced property in this country would pass into the hands of a custodian whose powers are limited to the seizure of "enemy" title. The "title" concept employed in creating the office of Alien Property Custodian in the first world war is now outmoded. The title to some of the most dangerous of the Axis-influenced enterprises is Swiss, Dutch, or Panamanian. Other enterprises are 100 percent American, so far as title is concerned.

Under the broad definition of the word "national" the freezing order has brought under foreign funds control all those organizations which are actually American and other neutral "fronts" for Axis activities. Many of these concerns are related to the Axis powers only through contractual ties, patent licensing agreements and the like. In some cases the ties are informal, based largely on personal fealty or family relationships. The flexible procedure of foreign funds control, developed over the past twenty months, makes it possible to deal effectively with this type of situation.

By intensifying our controls over these business enterprises, within the framework of the foreign funds control licensing procedure, we can in most cases safeguard our national interests more effectively than could be done under the seizure technique.

(9) The record of the Control. The Department has more than \$7,000,000,000 of frozen assets under its surveillance at the present time. Only by contrast with the \$500,000,000 of assets administered by the Alien Property Custodian during the last world war is it possible to gain some conception of the magnitude of the task the Treasury has been doing during the last twenty months. More than 350,000 applications have been handled by the Control and in addition literally millions of other transactions have been effected only on terms prescribed by general licenses. In spite of the highly restrictive character of the Control and its ruthless adherence to the principals of outright economic warfare, not one decision or ruling of the Control has been so much as challenged in the courts.

All of this has been possible only as a result of the confidence shown by the public in general and the banking and business community in particular in the reasonableness and integrity of the Control. This confidence has recently been re-affirmed in a most striking manner when both Houses of the Congress unanimously approved H.R. 6233 which greatly expands the powers of the President over this foreign property. Throughout the consideration of the bill both in the committees and on the floor of the House and on the floor of the Senate there was not one word of criticism leveled at the manner in which the Control has been administered.



*file
personal*

PSF

*Treas Folder
2-41*

TREASURY DEPARTMENT

WASHINGTON

December 23, 1941

My dear Mr. President:

I am enclosing report on our exports to some selected countries during the week ending December 13, 1941.

Faithfully,

Wm. M. C. ...
Secretary of the Treasury

The President,
The White House.

Enclosure

December 19, 1941

Exports to Russia, China, Burma, Hong Kong, Japan, France and other blocked countries, as reported to the Treasury Department during the week ending December 13, 1941.

1. Exports to Russia

Exports to Russia as reported to the Treasury during the week ending December 13, 1941 amounted to more than \$12,000,000, the largest total for any single week since July 28. The principal items were landplanes, military tanks and motor trucks. (See Appendix C.)

2. Exports to China, Burma and Hong Kong

Exports to Free China were valued at approximately \$2,340,000 as compared with \$791,000 during the previous week. Cartridges, passenger cars, scout cars and automobile parts for replacement were the main items. (See Appendix D.) Exports to Occupied China amounted to nearly \$700,000, the largest figure for any single week during the last 3 months. (See Appendix E.)

Exports to Burma totalled only \$18,000. (See Appendix F.)

No exports to Hong Kong were reported during the week under review.

3. Exports to Japan

No exports to Japan were reported during the week under review.

4. Exports to France

No exports to France were reported during the week ending December 13, 1941.

5. Exports to other blocked countries

Exports to other blocked countries are given in Appendix A.

~~STRICTLY CONFIDENTIAL~~

SUMMARY OF UNITED STATES
DOMESTIC EXPORTS TO SELECTED COUNTRIES
AS REPORTED TO THE TREASURY DEPARTMENT
FROM EXPORT DECLARATIONS RECEIVED
DURING THE PERIOD INDICATED ^{1/}

July 28 to December 13, 1941.

(In thousands of dollars)

	July 28 to <u>Nov. 29</u>	Week ended <u>December 6</u>	Week ended <u>December 13</u>	Total <u>Domestic Exports</u>
U. S. S. R.	\$54,497	\$ 3,609	\$12,040	\$70,146
Occupied China	10,523	61	678	11,262
Free China	25,201	791	2,337	28,329
Japan	1,870 ^{2/}	^{5/}	-	1,870
Burma ^{3/}	6,716	64	18	6,798
France ^{4/}	6	-	-	6
Occupied France	2	-	-	2
Free France	.4	-	-	.4
Spain	2,216	-	1	2,217
Switzerland	4,619	237	161	5,017
Sweden	10,192	188	17	10,397
French Indochina	353	24	17	394

Treasury Department, Division of Monetary Research

December 17, 1941

- ^{1/} Many of the export declarations are received with a lag of several days or more. Therefore this compilation does not accurately represent the actual shipment of a particular week. The longer the period covered, the closer will these figures come to Department of Commerce revised figures.
- ^{2/} Of this total \$1,864 thousand was reported from July 28 to August 23, inclusive, and shipped prior to freezing orders. Domestic exports from August 23 through week ending November 29, amounted to \$6,053.
- ^{3/} From September 11, 1941 to date -- It is presumed that a large percentage of material listed here, consigned to Burma, is destined for Free China.
- ^{4/} Includes both occupied and Free France through week ending October 4, 1941. Occupied and Free France separated thereafter.
- ^{5/} Less than \$500.

~~STRICTLY CONFIDENTIAL~~

APPENDIX B

Exports from the U.S. to China, Burma, Hong Kong, Japan and U.S.S.R. as reported to the Treasury Department, July 28, 1941 - December 6, 1941

(Thousands of Dollars) 1/

	Total	Exports to China		Exports to Burma 3/	Exports to Hong Kong	Exports to Japan	Exports to U.S.S.R.
		To Japanese controlled ports	To Chinese controlled ports				
July 28 - Aug. 2	937	542	395		654	1,657	4,523
Aug. 4 - Aug. 9	2,794	2,794	-		983	159	551
Aug. 11 - Aug. 16	1,278	969	309		235	42	986
Aug. 18 - Aug. 23	1,352	1,350	2		234	6	2,735
Aug. 25 - Aug. 30	736	735	1		742	-	1,023
Sept. 2 - Sept. 6	897	693	204		634	-	4,280
Sept. 6 - Sept. 13	3,038	2/ 757	2,281		456	-	5,217
Sept. 15 - Sept. 20	3,978	2/ 156	3,822		389	-	752
Sept. 22 - Sept. 27	462	352	110	449	810	-	2,333
Sept. 29 - Oct. 4	1,305	80	1,225	684	297	-	323
Oct. 6 - Oct. 11	5,864	552	5,312	1,157	1,233	-	6,845
Oct. 13 - Oct. 18	272	267	5	35	584	-	1,924
Oct. 20 - Oct. 25	668	399	269	403	1,243	-	5,623
Oct. 27 - Nov. 1	5,210	438	4,772	58	624	-	4,484
Nov. 3 - Nov. 8	1,836	164	1,672	342	283	5	4,552
Nov. 10 - Nov. 15	3,009	158	2,851	88	303	-	2,677
Nov. 17 - Nov. 22	1,701	473	1,228	1,021	600	-	3,581
Nov. 24 - Nov. 29	3,359	120	3,239	1,364	1,325	-	2,436
Dec. 1 - Dec. 6	852	61	791	64	-	-	3,609
Dec. 8 - Dec. 13	3,025	688	2,337	18	-	-	12,040
Total	42,573	11,748	30,825	5,683	11,629	1,869	70,494

1/ These figures are in part taken from copies of shipping manifests.

2/ Figures for exports to Free China during these weeks include exports to Rangoon which are presumed to be destined for Free China.

It is presumed that a large percentage of exports to Burma are destined for Free China.

Treasury Department, Division of Monetary Research

December 19, 1941

STRICTLY CONFIDENTIAL

APPENDIX C

Principal Exports from U.S. to U.S.S.R.
as reported to the Treasury Department
during the week ending December 13, 1941

(Thousands of Dollars)

TOTAL EXPORTS \$ 12,040

Principal Items:

Landplanes, powered	4,829
Military tanks and parts	1,843
Motor trucks (1 to 1½ tons)	1,122
Motor trucks (1½ to 2½ tons)	790
Aviation gasoline	621
Boots and shoes	268
Explosive shells and projectiles	250
Sole leather	243
Other aircraft engine parts and accessories	232
Hard winter wheat	192
Coated wire of iron or steel	156
Aluminum plates, sheets, bars, strips and rods	143
Barbed wire	136
Motor trucks (under 1 ton)	134
Metallic cartridges	132
Anti-knock compounds	104
Engine lathes	95

APPENDIX D

Principal Exports from U.S. to Free China
as reported to the Treasury Department
during the week ending December 13, 1941

(Thousands of Dollars)

TOTAL EXPORTS TO FREE CHINA \$ 2,337

Principal Items:

Cartridges	606
Passenger cars	278
Scout cars	254
Automobile parts for replacement	211
Cotton sheeting	152
Cotton blankets	139
Motorcycles	136
Steel bullet jacket cups	92

Treasury Department, Division of Monetary Research December 18, 1941

~~STRICTLY CONFIDENTIAL~~

APPENDIX E

Principal Exports from U.S. to Occupied
China as reported to the Treasury Department
during the week ending December 13, 1941

(Thousands of Dollars)

TOTAL EXPORTS TO OCCUPIED CHINA \$ 688

Principal Items:

Vitamines and vitasterols, n.e.s.	123
Leather and tanned skins	66
Barbitual	45
Other medicinal and pharmaceutical preparations	33
Fruits and preparations	23
Wheat flour	22
Other industrial chemicals	20
Dried whole and skimmed milk	20
Bicarbonate of soda	17
Toilet preparations	17
Bottle and container closures	16
Other coal-tar products	15.

APPENDIX F

Principal Exports from U. S. to Burma
as reported to the Treasury Department
during the week ending December 13, 1941

(Thousands of Dollars)

TOTAL EXPORTS	\$ 18
Principal Items:	
Wire nails	7
Galvanized wire	2
Household and personal effects	2
Auto replacement parts	2
Pharmaceutical preparations	1
Tires and tubes	1

Treasury Department, Division of Monetary Research December 19, 1941

~~STRICTLY CONFIDENTIAL~~



*file
Confidential*

PSF Treas.

TREASURY DEPARTMENT

WASHINGTON

December 31, 1941

My dear Mr. President:

I am enclosing report on our exports to some selected countries during the week ending December 20, 1941.

Faithfully,

Secretary of the Treasury

The President,
The White House.

Enclosure

December 30, 1941

Exports to Russia, China, Burma, Hong Kong, Japan, France and other blocked countries, as reported to the Treasury Department during the week ending December 20, 1941.

1. Exports to Russia

Exports to Russia as reported to the Treasury during the week ending December 20, 1941 amounted to about \$4,500,000. The principal items were motor trucks and chassis and military tanks and parts. (See Appendix C.)

2. Exports to China, Burma and Hong Kong

Exports to Free China were valued at approximately \$111,000 as compared with over \$2,000,000 during the previous week. The principal item was machine and heavy ordnance guns, carriages and parts. (See Appendix D.)

Exports to Occupied China amounted to \$12,000. (See Appendix E.)

Exports to Burma totalled only \$8,000. (See Appendix F.)

No exports to Hong Kong were reported during the week under review.

3. Exports to Japan

No exports to Japan were reported during the week under review.

4. Exports to France

No exports to France were reported during the week ending December 20, 1941.

5. Exports to other blocked countries

Exports to other blocked countries are given in Appendix A.

SUMMARY OF UNITED STATES
 DOMESTIC EXPORTS TO SELECTED COUNTRIES
 AS REPORTED TO THE TREASURY DEPARTMENT
 FROM EXPORT DECLARATIONS RECEIVED
 DURING THE PERIOD INDICATED 1/

July 28 to December 20, 1941

(In thousands of dollars)

	July 28 to <u>Dec. 6</u>	Week ended <u>December 13</u>	Week ended <u>December 20</u>	Total <u>Domestic Exports</u>
U. S. S. R.	\$58,106	\$12,040	\$ 4,580	\$74,726
Occupied China	10,584	678	12	11,274
Free China	25,885	2,337	111	28,333
Japan	1,870 <u>2/</u>	-	-	1,870
Burma <u>2/</u>	6,780	18	8	6,806
France <u>4/</u>	6	-	-	6
Occupied France	2	-	<u>5/</u>	2
Free France	<u>4</u>	-	-	<u>4</u>
Spain	2,216	1	112	2,329
Switzerland	4,856	161	42	5,059
Sweden	10,380	17	703	11,100
French Indochina	377	17	10	404

Treasury Department, Division of Monetary Research

December 23, 1941.

1/ Many of the export declarations are received with a lag of several days or more. Therefore this compilation does not accurately represent the actual shipment of a particular week. The longer the period covered, the closer will these figures come to Department of Commerce revised figures.

2/ Of this total \$1,864 thousand was reported from July 28 to August 23, inclusive, and shipped prior to freezing orders. Domestic exports from August 23 through week ending Dec. 6, amounted to \$6,106.

3/ From September 11, 1941 to date — It is presumed that a large percentage of material listed here, consigned to Burma, is destined for Free China.

4/ Includes both occupied and free France through week ending October 4, 1941. Occupied and Free France separated thereafter.

5/ Less than \$500.

~~STRICTLY CONFIDENTIAL~~

APPENDIX B

~~STRICTLY CONFIDENTIAL~~

Exports from the U.S. to China, Burma, Hong Kong, Japan and U.S.S.R. as reported to the Treasury Department, July 28, 1941 - December 20, 1941

(Thousands of Dollars) 1/

	Total	Exports to China		Exports to Burma 3/	Exports to Hong Kong	Exports to Japan	Exports to U.S.S.R.
		To Japanese controlled ports	To Chinese controlled ports				
July 28 - Aug. 2	937	542	395		654	1,657	4,523
Aug. 4 - Aug. 9	2,794	2,794	-		983	159	551
Aug. 11 - Aug. 16	1,278	969	309		235	42	986
Aug. 18 - Aug. 23	1,352	1,350	2		234	6	2,735
Aug. 25 - Aug. 30	736	735	1		742	-	1,023
Sept. 2 - Sept. 6	897	693	204		634	-	4,280
Sept. 8 - Sept. 13	3,038 2/	757	2,281 2/		456	-	5,217
Sept. 15 - Sept. 20	3,978 2/	156	3,822 2/		389	-	752
Sept. 22 - Sept. 27	462	352	110	449	810	-	2,333
Sept. 29 - Oct. 4	1,305	80	1,225	684	297	-	323
Oct. 6 - Oct. 11	5,864	552	5,312	1,157	1,233	-	6,845
Oct. 13 - Oct. 18	272	267	5	35	584	-	1,924
Oct. 20 - Oct. 25	668	399	269	403	1,243	-	5,623
Oct. 27 - Nov. 1	5,210	438	4,772	58	624	-	4,484
Nov. 3 - Nov. 8	1,836	164	1,672	342	283	5	4,552
Nov. 10 - Nov. 15	3,009	158	2,851	88	303	-	2,677
Nov. 17 - Nov. 22	1,701	473	1,228	1,021	600	-	3,581
Nov. 24 - Nov. 29	3,359	120	3,239	1,364	1,325	-	2,436
Dec. 1 - Dec. 6	852	61	791	64	-	-	3,609
Dec. 8 - Dec. 13	3,025	688	2,337	18	-	-	12,040
Dec. 15 - Dec. 20	123	12	111	8	-	-	4,580
Total	42,696	11,760	30,936	5,691	11,629	1,869	75,074

1/ These figures are in part taken from copies of shipping manifests.

2/ Figures for exports to Free China during these weeks include exports to Rangoon which are presumed to be destined for Free China.

It is presumed that a large percentage of exports to Burma are destined for Free China.

APPENDIX C

Principal Exports from U.S. to U.S.S.R.
as reported to the Treasury Department
during the week ending December 20, 1941

(Thousands of Dollars)

TOTAL EXPORTS \$ 4,580

Principal Items:

Motor trucks and chassis	1,849
Military tanks and parts	920
Refined copper	244
Aluminum plates, sheets, bars, strips and rods	130
Stamping or shearing machine	109
Sole leather	92
Coated wire, n.e.s.	89
Metallic containers (drums)	86
Telephone instruments	79
Machine and heavy ordnance guns and carriages	75
Barbed wire	73

Treasury Department, Division of Monetary Research December 30, 1941

~~STRICTLY CONFIDENTIAL~~

APPENDIX D

Principal Exports from U.S. to Free China
as reported to the Treasury Department
during the week ending December 20, 1941

(Thousands of Dollars)

TOTAL EXPORTS TO FREE CHINA \$ 111

Principal Items:

Machine and heavy ordnance guns, carriages and parts	107
Insulated copper wire	3

Treasury Department, Division of Monetary Research December 30, 1941

~~STRICTLY CONFIDENTIAL~~

APPENDIX E

Principal Exports from U. S. to Occupied,
China as reported to the Treasury Department
during the week ending December 20, 1941

(Thousands of Dollars)

TOTAL EXPORTS TO OCCUPIED CHINA	\$ 12
Principal Items:	
Radio apparatus	4
Relief supplies - biologics	3
Pencils and pens	1

Treasury Department, Division of Monetary Research December 30, 1941

~~STRICTLY CONFIDENTIAL~~

APPENDIX F

Principal Exports from U.S. to Burma
as reported to the Treasury Department
during the week ending December 20, 1941

(Thousands of Dollars)

TOTAL EXPORTS	\$ 8
Principal Items:	
Newsprint paper	6

Treasury Department, Division of Monetary Research December 30, 1941

~~STRICTLY CONFIDENTIAL~~

*file
personal*

*PSF Treas. Folder
2-42*

INCOME TAXES
FOR DECEMBER 1941
AS COMPARED WITH DECEMBER 1940
BY
FEDERAL RESERVE DISTRICTS

	<u>December 1941</u>	<u>December 1940</u>
BOSTON	\$ 62,515,169.34	\$ 30,961,458.03
NEW YORK	227,084,979.46	124,094,484.62
PHILADELPHIA	58,880,938.74	36,567,988.41
CLEVELAND	98,050,438.85	44,500,851.86
RICHMOND	41,838,249.79	25,739,416.10
ATLANTA	29,429,083.90	16,332,530.04
CHICAGO	130,245,930.07	78,127,065.50
ST. LOUIS	19,158,464.22	12,292,166.30
MINNEAPOLIS	9,316,013.01	5,629,834.99
KANSAS CITY	20,734,607.95	12,039,496.59
DALLAS	16,184,393.31	10,300,530.49
SAN FRANCISCO	<u>51,036,288.03</u>	<u>28,608,830.32</u>
TOTAL, FEDERAL RESERVE BANKS	764,474,556.67	425,194,653.25
TERRITORY OF HAWAII	<u>49,542.27</u>	<u>1,138,737.19</u>
GRAND TOTAL	<u>\$764,524,098.94</u>	<u>\$ 426,333,390.44</u>